

The departmental budget call-backs reconvened on April 22, 2014 at 11:08 a.m., and proceeded as follows:

Department of Parks & Recreation

Honorable Gary L. Hooser
Honorable Mel Rapozo
Honorable JoAnn A. Yukimura
Honorable Jay Furfaro, Council Chair

Excused: Honorable Tim Bynum
Honorable Mason K. Chock, Sr.
Honorable Ross Kagawa

Chair Furfaro: Aloha and good morning. Today is April 22nd, and I am calling back from a recess the call-back for the budget process, and is there anyone here from the public that wants to give testimony this morning? Seeing no one, our intent today is very specifically, 11:00 a.m. to 12:30 p.m. we have Parks and Recreation, Convention Hall, Wailua Golf Course, and the Waimea District-CIP and then breaking for lunch and we are going to come back for an hour to talk about continuation of the Convention Hall and those subjects mentioned earlier, if necessary. So on that note, our rules are suspended. Lenny, I appreciate the fact that you folks were willing to come back and the time is yours now.

LEONARD A. RAPOZO, JR., Director of Parks and Recreation: Thank you, Chair. You know, Chair, for some reason, when I left here the last time, I looked at our schedule and somehow we bypassed Fiscal, which was the second one on the list after the Administration. So if it would be okay, can we start with the Fiscal?

Chair Furfaro: Absolutely. Like I said, we have an hour and a half now and an hour after lunch.

Mr. L. Rapozo: As the Chair had mentioned we will take the Fiscal, Convention Hall, the Golf Course and our CIP presentation. Fiscal is found on page 4 of your manual that was presented, that was given to you. The Fiscal and Personnel Division makes up our permitting, fiscal needs of our Department, as well as the Park Rangers, which is an important integral part of our operations. So if we start on page 4, the Park Rangers continue to assist in community events such as regularly helping out at the Marathon, by monitoring the course and providing assistance as needed. The Kaua'i World Challenge, canoe regattas at Hanalei Bay including the recent State Outrigger Canoe Championships, monitoring fun run events, coastal paths, monitoring the courses and providing assistance and enforcement as needed. The Park Ranges have also assisted their off-duty hours with community events such as the County or Mayor's Age Group Track Meets, Senior Field Days at Lydgate Park, Summer enrichment programs, the Fun Day at Lydgate Park and the recent University of Hawai'i Green and White Game that was held at Vidinha Stadium in the last fiscal year. What I do not think the Park Rangers get enough credit for all that they do. They are truly an enforcement arm for Parks. They enforce ordinances that affect Parks and recently they even had, in my opinion prevented or came upon crimes in the process and they intervened, and they took proper action in either stopping the crime to continue or in helping to recover some of the stolen items that were

taken. The Rangers as we keep moving through our presentation, continue to be a wealth of information for both visitors and local residents. They also help out with general information about our island and how the Department of Parks and Recreation works and the services that we provide. To many visitors coming to a new place for the first time, Rangers are usually the first contact they have with the island. For most visitors their first contact is the beginning of an enjoyable vacation and rely on our Rangers for information about our island. Other return visitors look forward to meet with staff to renew old acquaintances and to seek out new information about changes on the island. Because of the recent increase in visitor drowning, Park Rangers have warned visitors of the strong currents and beaches that have no lifeguard services. They have been focusing on visitors and warning them of the hidden hazards of our beaches. Park Rangers carry copies of the beach safety guide and hand them out to our visitors whenever possible and give the information that they need for a safe and enjoyable stay on our island. Park Rangers give advice how to protect belongings while staying in our parks and finding offices to get camping permits or how to get the best places to sample local food. The enforcement staff prides themselves on giving information first with enforcement and citations made only as the last resort. The only quota that they have is to give our residents safe and informed so that they can enjoy our recreational facilities around the island. Park Rangers are extra eyes and ears for the Department of Parks and Recreation and monitor parks and other recreation facilities for problems that include, but not limited to vandalism, graffiti, criminal property damage, under aged drinking, and drug use. With the assistance of KPD, Park Rangers do periodic enforcement sweeps of campgrounds and parks in order to control illegal activities. They actively assist KPD in locating people wanted on bench warrants and as a lot of these individuals hide out at parks and campgrounds. Because Park Rangers are on the road a lot, they have assisted KPD in locating vehicles that were used in the commission of crimes. Last year our Park Rangers again assisted the Kaua'i Police Department, DLNR DOCAR Officers and DLNR Division of Boating and Ocean Recreation with the annual State Outrigger Canoe Races that were held at Hanalei Bay. Park Rangers assisted with foot patrols monitoring the Hanalei pavilion areas where most of the activities take place. They did roving patrols with vehicle and four-wheel drive utility carts that are normally used for patrolling the coastal path. They assist the Department's Maintenance and Beautification Divisions when they do periodic major maintenance at our facilities by keeping the general public out of work areas and this allows the maintenance work to be done in a timely and efficient manner without delay or interference. Recently Park Rangers through a recent ordinance change have been given the authority to post vehicles as abandoned at our Parks and Recreation facilities, allowing staff to have an active role in dealing with this problem and removing some of the pressure and workload from KPD Officers. They are working on getting trained and scheduling with the Traffic Safety Division of KPD. Citations issued during the last fiscal year, there were 75 citations issued for violations of the park ordinances and they are shown in your binder.

Challenges. The current Park Ranger staff consists of seven officers, five Park Rangers make up the current working staff with the working supervisor and Parks Permitting and Security Coordinator who oversees the entire enforcement operation. There are currently two vacant Park Ranger positions as one staff member left for a job in the private sector and one Park Ranger position became available to hire January 1, 2014. After a planned six-month vacancy period, the Department of Parks and Recreation hopes to hire for these two positions in the next two months and we had that discussion at our last meeting when we talked about our Department vacancies. This Division has eight vehicles assigned to managing to keep all eight vehicles operational is another challenge.

Two of the vehicles equipment number 070 and 071 were both purchased in late 2004 and passed over for replacement in 2011-2012, 2012-2013, and 2013-2014 budgets. They have high mileage and make frequent trips to the Shop for repairs. One of these vehicles is now off the road in the shop for brake and work and new tires. This is as of when this report was prepared, so they are all back on the road now. Two Toyota Priuses were transferred to the Department, but one was swept off the road during the last heavy rains and was totaled. The remaining Prius' have electrical problems and the dashboard displays are out. While the vehicle is drivable, no gauges are working and that is being addressed by the Public Works Repair Shop. When vehicles go into repair, this means our vehicles in our fleet are used for the morning and afternoon shifts, causing the mileage and wear and tear to rise quickly on these vehicles. The current staff of six Park Rangers of which two are assigned to the morning shift, three to the night shift and the mid-morning working supervisor are responsible for patrolling the entire island. With 70 plus Parks and Recreation facilities including the coastal path, it is very difficult to effectively patrol all areas and enforce current ordinances. Even when the current vacancies are filled, there will still be gaps in coverage when staff is out sick, on vacation, and holidays. With the enforcement of the Peddler and Concessionaire Ordinance, this requires additional responsibilities for consistent monitoring as needed. As the new dog use area at Wailua Homesteads Park, the popularity of the coastal path, and the planned increase in the length will also require increased monitoring. Ideally adequate coverage of our parks would involve three separate shifts. Early morning, mid-day and evening. The morning and evening shifts would have four Park Rangers and the mid-day shift would have three Park Rangers. This would be enough Park Rangers to cover days off, vacation or sick-leave.

Chair Furfaro: Excuse me Lenny, on that question is that what is in your budget?

Mr. L. Rapozo: No.

Chair Furfaro: Okay.

Mr. L. Rapozo: We have not asked for any additional park Rangers.

Chair Furfaro: What you just read to us is a wish-list.

Mr. L. Rapozo: That would be an ideal situation, yes. We understand the current situation, financially. This would be responsible for covering Hā'ena to Kekaha. Park Rangers deal with the island's homeless people who indulge with alcohol and drugs, people with mental challenges, and those with criminal intent. A Park Ranger is not only an enforcer of the Kaua'i County Code, he also wears many hats. He refers the homeless to different programs that might be able to help like the Salvation Army and churches and in some cases, the Parks Ranger will contact an agency such as the Kaua'i Economic Opportunity to have an outreach worker meet the family at a park to sign them up for assistance. A Park Ranger must be a good listener taking the time to listen who may need to just vent to someone and sometimes be a referee or mediator to help settle minor disputes between park users. Even between a husband and wife or boy and girl friend. A Park Ranger does this and more often times without any more recognition than knowing that they helped someone else. Parks Rangers also assist our maintenance staff

by reporting maintenance problems and safety issues that they come across in our parks during their patrols. Park Rangers assist Public Works Solid Waste Coordinator in charge of abandoned and derelict vehicles by taking photos, license numbers and description of vehicles abandoned in parks to expedite their removal. Park Rangers also accompany the Coordinator on occasion to parks where she may have a problem with people in the area. Park Rangers on occasion are asked to stand by at a park while the tow company removes vehicles to deter harassment of the two truck drivers. In closing out the Park Ranger section recently, they had two incidents where it should be well-noted as how well they do their jobs. As they were crossing the Wailua Bridge area, they noticed a golf cart on the path and as we know motorized vehicles are not authorized on the path. As the Ranger made a U-turn to investigate what was going on the person in the cart jumped out and ran away, so we knew it was stolen. It was actually stolen from the Coconut Plantation and called the Police and Coconut Plantation was able to get their cart back before anything else might have happened that night with that. As recent as a couple of nights ago as a Park Ranger was making his check of the Kamalani Campground, came upon South Leho Road, looks like someone was looking into a car. When he approached, the guy came walking out to him and asked him if he needed assistance, the gentleman said he was just there...he got stalled and his mom was going to pick him up. Upon further investigation, the guy walked away and the Ranger noticed a truck parked further down the road. He noticed that the car that the guy was looking at had the windows bashed in. So he came upon somebody who was probably trying to break into the car. Those are some of the stuff that the Rangers come upon, that people do not really know about and for that, I think our community and my Department is very grateful for the work that they do.

Moving into the permit section. Currently our permitting section consists of a Permit Clerk and Commercial Activities Permit Clerk. These daily duties include preparing deposits from the previous days' sales, issuing camping permits to walk-up customers, issuing camping permits to mail in and e-mail requests, and issuing permits for pavilions, ball fields and neighborhood centers. The Permit Clerk also replies to requests for information received by walkup, phone and e-mail. The current Permit Clerk had been out of work due to medical issues from May of 2013 and returned in February of this year. While the Permit Clerk was gone, the permits were done by the Permitting and Enforcement Coordinator and by the office Secretary. In July of 2013, we were able to hire a second Permit Clerk, whose primary job was to handle all the commercial activities applications and permitting. This was in response to the Peddlers and Concessionaires Ordinance that we had worked with this body. This person was quickly trained in camping and facility reservations and permitting and stepped in to cover for the Permit Clerk that was out due to a medical issue. The second Permit Clerk has now returned to handling commercial activities requests and making herself familiar with public hearings and the current ordinances and the clerk is also the backup to the original Permit Clerk and covers the main counter, during lunch breaks and in times when the original Permit Clerk is out either sick or on vacation. Currently all league permitting and scheduling for the Kaua'i Interscholastic Federation, Pop Warner Football, Kaua'i Youth Football, Little League, Pony League, KPAL Sports, HYSA, and AYSO Soccer Leagues, adult football, adult softball games and practices are handled by the Permits and Security Coordinator with some assistance from the commercial activities Permit Clerk. Youth baseball and football have expanded the leagues which have made scheduling practice fields for games, practices, and scheduling and maintenance, challenging for our staff. The second Permit Clerk is now moving part of the Commercial and Peddlers Ordinance...we are moving forward with the regulating of the surf schools at the Black Pot Beach Area, Hanalei Bay area. She has

taken on full responsibilities with coordinating the application efforts for concessionaires and commercial permitting in our parks and with the rules and the processes. That was not a new position in our last budget, but re-described a position of someone who had retired. We looked at the organization and felt that was a better usage for that position.

The goals and objectives. The filling of vacant Security Officer I positions will boost coverage for enforcement sections. The goal...the current work demand will continue to be managed by the current staff and continue to look for ways to do best we can with the resources available. Training is ongoing for both new and existing staff. The Rangers have been invited to join the Liquor Inspectors in MOAB training and the MOAB training for managing of aggressive behavior and covers self-defense training which includes weaponless self-defense such as officers presence, verbal commands, soft empty hand control tactics and hard control tactics as an example. This training had been postponed several times, but is now scheduled for April of this year. Most of our training is done in-house and additional training is provided by KPD with citation training and radio communications. We are currently working with KPD's Traffic Safety Unit to schedule new training on dealing with abandoned vehicles and new and current citations for new and current staff. Additional training possibly with new Police recruits for report-writing, self-defense training and other skills would help to strength the Park Rangers' skills and collaboration amongst other law enforcement agencies is important for continued training for all of our Park Rangers. With adequate manpower, reliable equipment, and standardized training programs, the Parks Security Office continues to be a valuable asset to the Department of Parks and Recreation, the County of Kaua'i, our visitors and residents. In your book is our Park Rangers goals and our Permit Section's goals and objectives. So with that...

Chair Furfaro: Lenny, we are going to allow questions after each segment that you presented. I will give Mr. Rapozo the floor.

Mr. Rapozo: Thank you, Mr. Chair and thank you, Mr. Rapozo for being here. You answered most of my questions in your final paragraph about the trainings for the Rangers, weaponless defense and I do want to say that I guess it was last month and you may have been at the wedding at the Houselots. It was a Rapozo wedding.

Mr. L. Rapozo: I was not...it was the other Rapozos.

Mr. Rapozo: I had gone down there and helped set-up and there were quite a few vehicles in the park. There were quite a few people in the park. The party had not started yet, but the Park Ranger came in and politely told everyone to take the vehicles out. He was very professional and when he saw the Councilmember, I could see it in his face and I said no, we will get the vehicles out and we did. I wanted to bring that up, because he was very professional and unfortunately the name slips me, but I am sure you can find out who it was, Wailua Houselots and he got all of the trucks and vehicles out without any incident. The other thing because I know that they are becoming more involved with some prevention, actually getting involved with the activity as it occurs, you mentioned the golf cart. You mentioned that they are confronting a lot of people that are not very nice at the times of day that these guys are approaching them, and that is one heck of a job to go up to like a tent, where somebody is home, a temporary home and trying to enforce the law. So I understand the MOAB (Managing of Aggressive Behavior) training

and weaponless defense. Do you foresee them using pepper-spray or what I would consider defenses? Because the weaponless training is good, but when you are dealing with someone who is high, you can only do so much and I really would hate, because I do think we have a great core of Rangers right now, great core. I would hate to see anyone get hurt trying to do their job.

Mr. L. Rapozo: That is something that we have talked about that the Rangers have asked me and there are union implications with that. So I have had a brief discussion with the union, but we have not really dived into it. But I think it is something that is necessary.

Mr. Rapozo: Okay, good. I would ask that if there is anything that we can help to move that. The policies are strict. Obviously any of those guys abuse the pepper-spray, they are gone, fired, whatever, but you just think I am not asking for guns, but at least some something that can keep these guys away. About three months ago my friend had his car stolen and he called me up and I went to Hanamā'ulu Beach Park to help him look for the car. I do not know if I would approach any of those guys without a stick or pepper-spray, because it is just not a good scene. So yes, if you could look into that, I would appreciate it. We will follow-up with staff. Whatever help we can offer, in training. I know the weaponless defense all of those are prerequisites and in other words, you cannot just give the guy mace and they have to go through these progressive trainings. By the time they are issued the spray, they should be well-trained in the weaponless self-defense. So that the pepper-spray is used as a last resort. Thank you very much. Thank you, Mr. Chair.

Chair Furfaro: JoAnn, questions on the presentation so far?

Ms. Yukimura: Yes. Lenny, thank you very much for the presentation. It showed me how increasingly important the Rangers are to the smooth functioning of our parks and they are really the eyes and ears there to make sure that everything is okay. I am impressed by the growing professionalism that I am seeing. It is really wonderful that they play the role both of an ambassador, as well as educator and regulator and crime-preventer. My question is this thing about training, the MOAB training which is managing of aggressive behavior. I think it is wonderful that they are getting that. I guess do the Police get that training?

Mr. L. Rapozo: I am not sure. I think that is a question you need to ask KPD. But we are very grateful that other Departments are allowing us to participate in any kind of training for our Rangers are good.

Ms. Yukimura: It is good that you are looking for opportunities to share in the training. Yes. It may be that the Police already have that as part of their training. But it sure does seem appropriate for them. Kudos to the Liquor Department or Commission for having that already in place. I think that was all for now. I know, I have one more. About the Toyota Prius that was swept off the road during the last heavy rains and totaled, nobody was hurt?

Mr. L. Rapozo: He wasn't injured, luckily. He had his seatbelt on.

Ms. Yukimura: Well, was he trying to cross a stream?

Mr. L. Rapozo: He was actually making a check of the
Kaumakani Neighborhood Center.

Ms. Yukimura: And it was flooding there?

Mr. L. Rapozo: Yes. Well, he was making the check of the park facility and he contacted our supervisor John Martin and John lives out on the west side and says it was really bad and you may as well turn back towards Līhu'e. Leaving the Neighborhood Center, going East, at that point the water was not on the main highway, but on the upper road. He could see there was water crossing the road, but he underestimated how much water that was. And as he...yes, I hear the feedback...I do not know where that is from. As he proceeded on the road, the Prius, being a Prius was lifted up and went over the embankment.

Ms. Yukimura: He was in the car?

Mr. L. Rapozo: He was in the car.

Ms. Yukimura: That could have been a really serious accident. I am sorry. The first rule is that you do not try to cross a rushing stream. Actually it brings to mind what happened at Hanakāpī'ai, I remember the Anahola floods of 1991 one year before Iniki, and one of the people who perished tried to cross, you know? So that is kind of like a training that needs to be...it is just a principle, you do not try to cross, because the consequences can be so drastic. So I mean maybe there is some training there that is needed. I am glad that he did not get badly hurt either, but that way that nobody was badly hurt or nobody died. But I would use it to maybe educate others in those cases, because on this island we are constantly responding to flooding conditions. Well, I just wondered because it was in your report. Thank you.

Chair Furfaro: Lenny in this section here, is there any opportunities for additional revenue as it relates to the concessionaires?

Mr. L. Rapozo: Right now, according to the ordinance, it is \$100 for the permit to look at increase...to answer your question, yes, there is.

Chair Furfaro: How about the concessionaires at Spouting Horn?

Mr. L. Rapozo: That was by bid process, so it is locked in.

Chair Furfaro: I am sorry, on that one I understand that we had one stall that is vacant?

Mr. L. Rapozo: Yes.

Chair Furfaro: What is in the projection here?

Mr. L. Rapozo: Well, we went out three times for that one stall and no one bid. But I have been approached by a vendor that now said I am interested in this stall. He was representing a group of people...an organization. So he needs to go and confirm with that organization that they truly want to bid for that stall and we will do the process again to try to get full 100% filled at Spouting Horn.

Chair Furfaro: Let me ask you, is there any way you can convey to Scott a number by July 1st, if we do fill that vacant concessionaire? What is the value that we could add to income?

Mr. L. Rapozo: Sure.

Chair Furfaro: If you could just send it to Scott, I would appreciate it. We can move on to the next section.

Mr. L. Rapozo: The next section would be your Convention Hall, which is on page 11 of our handout. What I would like to do is Mr. Sarita had prepared a video as to all the improvements that he has done at the Convention Hall and I think it is worth your while to see and we have been here before where we have asked for continued support financially. The Convention Hall was completed in 1964, and he has gone on improving...it is time to do some improving with maintenance and doing some advanced correction of some of the measures. Chair, if you would allow me?

Chair Furfaro: Let me ask the question, the Convention Hall was completed in 1964?

Mr. L. Rapozo: Correct.

Chair Furfaro: And this is 2014?

Mr. L. Rapozo: Yes.

Chair Furfaro: And in public school math, how long is that?

Mr. L. Rapozo: It will be 50 years old, sir.

Chair Furfaro: Do we have anything to plan, to toast the improvements?

Mr. L. Rapozo: When it is all said and complete, we would like to have a rededication.

Chair Furfaro: Okay, we will continue with your presentation.

Mr. L. Rapozo: Again Eddie Sarita is the Convention Hall Manager, who coordinates this with other Parks and Recreation staff and actually in Recreation they helped to put this together. We improved the outside lighting for one to be bird-compliant. They are LEDs, as well as they are solar. The picture...this picture here, if you remember around the Convention Hall, these were globe types, which were original from when the Convention Hall opened. We now have LEDs, which will be more energy-

efficient and longer lasting. In the back of the parking lot, which was always a security or safety concern, it was really dark, with our moneys we were able to purchase this solar lighting. We have three of them in the back, which have drastically improved the parking lot lighting and of course the security and energy-efficiency. We are improving the kitchen by adding this stove here, commercial-grade stove. This will be the other one. In the future, what will be adding will be a commercial hood here to improve the kitchen area of this facility.

Chair Furfaro: Excuse me, Lenny. Does the stove meet code without the hood right now?

Mr. L. Rapozo: Yes.

Chair Furfaro: It does?

Mr. L. Rapozo: Yes.

Chair Furfaro: Okay. Good.

Mr. L. Rapozo: These are the new countertops that were done in the pass-through area. This is the kitchen area, with our improved sink, washing area with the nozzle and a new heater, and it is...the heater is...as you need hot water, so you save on heating costs and energy costs. This is a recent new addition on new rollup door. This again was the pass-through area, where it just makes it more efficient for those who use the facility, better to lock and more secure, better management of the kitchen and exhibit hall areas. We had talked about the capacity...improving capacity of this facility. So this is the entryway that separates the exhibit hall from the conference room, the new perspective Parks and Recreation conference room at the Convention Hall. This is traditionally used as storage, but we are now going to...it was called "the arts and crafts room." These doors will still remain. So in case there are needs for a breakout room area, they would have that opportunity. But yet, it is going to be used separate from the exhibit hall, you have some privacy. This is the conference room or the arts and crafts room as it was being used there. This is the area where we have a new separate entryway into the conference room. So we are taking this closet out and making a door here. This countertop will probably get shortened and this sink would move over a little bit. So it would have its own entryway. Again, this is just some of the looks that we will probably be changing, trying to get a white board in here. Maybe even possibility, depending upon budgetary, if we can afford, we will probably look at getting some other improvements to make it a true conference room. This used to be a little stage area in the exhibit area, and people just use it to put their desserts there. If you have been to parties, functionality, maybe we are looking at possibly enclosing this, and making it storage for the Convention Hall. This is the Manager's Office. I asked Eddie to redo his office, because I did not think it was functional. For one thing, the doorway, you really could not see when people would come in there. This area here, if you remember, there used to be a pass-through, we used to do permitting in the area and for the longest time this was not used. So we redid the walls and made it more user-friendly for the public and of course to upgrade Eddie's office to conduct business. This is just the removal of the outer wall, the outer windows that I had just described. Just another view of it. This is something that we just completed, the stage side curtain that needed to be replaced. The auditorium carpet, which we have completed the bidding process. It is a matter of awarding and we will be changing the carpet in the auditorium, which needed to be done.

When we took out the seating and we replaced the seating we saw it as an opportunity to improve the venting...the vents that had not been cleaned or had not been maintained since the facility opened. We found that the grates of the vents needed to be changed and this picture really does not...I mean it is just the new grates that we put on the vents. That was a brief presentation of the Convention Hall in terms of what improvements we had done. There are some other minor things that were not highlighted in the presentation that is still listed in your book. It breaks down to the 26 exterior lights that we replaced with bird-friendly and LED lights, these types of numbers. The hardware, those are still the originals and these are listed for you to review.

Moving to the upcoming initiatives. Our plans for revising and increasing the facility use charge to be implemented in the calendar year of 2015 remains on-track. Initial research and other due diligence such as collection of other venue use charges are being performed in order to determine how the fee increases can be instituted as fairly, gradually, and affordably as possible for our resident users. In previous initiatives to work with the Department of Finance, Information Services Division on installing a fiber optic system has begun and is partially complete with the connection to the Manager's Office. However, we continue to work towards full installation of the system in the exhibit halls to provide capabilities for high technology events.

Moving into our challenges, in early 2013 we lost the services of...we called State Workwise certified work experience program, CWEP that provided plantings and roadways clean-ups for the last ten years, providing workers to do intricate landscaping that was not performed by staff. The Parks Beautification Section has assisted in doing the best that they can to help us maintain these areas. We have been in contact with them to reinstate the workers at their earliest convenience and believe that the well-maintained grounds and landscaping provides marketing benefits for the use of the Convention Hall. We believe challenges will present itself when the revised facility user fees are instituted because for nearly 20 years users have become accustomed to the low fees charged for such a beautiful facility. As noted in prior reports the desirability of the Convention Hall continues to increase especially for the Halls with the closure of similar facilities on Kaua'i and the higher costs to use similar facilities along with the lack of adequate Līhu'e-area meeting space.

Opportunities. A further challenge continues to keep the Convention Hall technologically and structurally up-to-date. DOPR is exploring increasing the covered floor space without having to perform major renovations. A possible option would be to construct walls and roofs over existing open areas such as the large concrete driveway located on the eastside of the facility and north and west sides. This types improvements will provide more rentable floor space to increase capacity and revenue stream. This is something that we are exploring, but we have not made any decisions to pursue. There have been recent discussions of the feasibility of the proposed Creative Technology Center located on the premises of the Convention Hall. Such an addition would require a discussion with other Parks users including the Līhu'e Baseball League, Boys and Girls Club of Hawai'i, in addition, Easter Seals of Hawai'i is interested in at least 10,000 square feet in office and amenities that will provide potential employment opportunities for their clients, as well as services, janitorial and ticketing services required under the Affordable Care Act. These are just discussions that are occurring and because of the space that they are looking at, which would be near the ballpark, which is still part of the Convention Hall's property, that is why we included in this report. Further discussions with the Department of Parks and

Recreation, Planning, Public Works, Transportation, Economic Development, taking the lead through the contractor, the Kaua'i Economic Development Board and the goals and objectives are listed there for your review. The Adopt-a-Park and Hoolakahi programs are volunteer-based programs that provide an opportunity for volunteers in assisting the DOPR in maintaining County parks and building facilities such as pavilions and bus shelters and the installation of equipment such as batting cages and homerun fences. The programs' volunteers provide much-needed assistance in combating and discouraging graffiti and are meant to support and not to replace County employees. Volunteers also serve as the eyes and ears to report vandalism and damages sustained by the use of County Parks. Both programs are coordinated by the Convention Hall Manager.

The success and achievements. Again in Fiscal Year 2014, the Adopt-a-Park and Hoolokahi programs have shown their value to thousands of man hours donated by their volunteers. Some of the notable successes are listed here for you to review. Graffiti, ongoing, continued. The Adopt-a-Park program provides Kaneioulouma with materials and equipment to help maintain that Heiau and the support of the volunteers to help at some of our cemeteries such as the Hanamā'ulu Japanese and Filipino cemeteries, as well as other areas on the island. The construction of ten new picnic tables by Kamalani Park volunteers and major volunteer clean-ups of Po'ipū Beach Park, 'Anini Beach Park, and Hanamā'ulu Beach Park. The installation of a new homerun fence at Anne Knudsen Park by the Kōloa Youth Baseball Association. The challenges to make more programs more volunteer-friendly by making it able to invest more time and promoting our volunteers by responding to their need as quickly as possible. The goals and objectives, while no structural improvements are currently planned for both programs, the request for continued Council support for funding of the program to allow volunteers to spearhead project as they have done in years prior. In the coming fiscal year we continue our plans for increased staff investment in working with our program volunteers in maintaining and increasing the number of adopted parks. This County liaison for Keep Hawai'i Islands Beautiful is a program that was brought to us by Jan Depitan, who is headquartered on Maui. We have reported on this in our previous budget report and their mission is to enlist volunteers to eliminate the problem of litter throughout the State of Hawai'i. We currently do that through most Adopt-a-Park and Hoolokahi projects and continue to serve as the County liaison. This has been going on for the last ten years. In this role the coordinator has assisted their efforts as best as they can without any provided funding by this organization. We have had little success in meeting the challenge of organizing a County affiliate charter due to the lack of funding, but also time to invest the coordinator for meeting that challenge. We have assisted efforts to organize this affiliate are little success. We believe that in order for a Kaua'i chapter to become a reality, which they have been reluctant to do without County participation. We continue to think that a functioning affiliate chapter independent of the County would be better to accomplish their mission. So in other words, we want to help facilitate this organization because we think the intent is a good intent, but they have to do more from their side in order for it to be more successful on Kaua'i. With that, that concludes our presentation for the Convention Hall.

Chair Furfaro:
want the floor first?

Questions on Convention Hall? JoAnn, do you

Ms. Yukimura:

Yes.

Chair Furfaro:

You may have it.

Ms. Yukimura: Thank you. First of all congratulations to Eddie Sarita and Parks for putting in the bird-compliant and LED lights and Eddie has kept on target and actually got it done. So thank you very much. Also the new seats are beautiful in the Convention Hall. It is such a well-used facility, constantly in use. So the improvements, I know, make a big difference to the community. My question is about the sound system in the Convention Hall. I see a little footnote where it said that it is 12 years old now and needs to be upgraded. I remember there was a lot of problems with the Sound of Music. The singing would go in and out, depending on where the person moved on stage and wondering where we are with that?

Mr. L. Rapozo: We had asked for a line item request in the budget for a consultant to come in...we are going to hire someone to come in to take a look at the sound system and make recommendations of improving it. We have asked for some moneys.

Ms. Yukimura: So that is in this year's budget?

Mr. L. Rapozo: Yes.

Ms. Yukimura: Is it an operating expense?

Mr. L. Rapozo: Yes.

Ms. Yukimura: How much are you asking for?

Mr. L. Rapozo: Eddie did some preliminary work. We are looking for the evaluation and calibration of the system which is 12 years old, looks to be about \$9,800.

Chair Furfaro: Lenny you are looking at a line item on what page?

Mr. L. Rapozo: This is on page 209, account number 661.4302 R&M Equipment.

Ms. Yukimura: The other sound system evaluation / calibration and then microphone, portable sound system, that is for the exhibit hall. So that is not the auditorium.

Mr. L. Rapozo: Since we are going to do something for the auditorium, it makes sense to look at the whole facility.

Ms. Yukimura: I think that is a good idea. Is the problem, with calibration, do you think Eddie could come?

Mr. L. Rapozo: We do not know if that is the solution, but we want to include it in the text, in case it needs to be recalibrated we have it covered here, but the key in there is "evaluation."

Ms. Yukimura: Is \$3,000 enough? You are going to get an acoustical engineer?

Mr. L. Rapozo: We are going to talk to the sound system people to get an idea of what that would cost.

Ms. Yukimura: Okay. I am glad attention is being placed on this. This is a problem and Eddie knows well and the community, I know would be really grateful if the sound system would be brought up to par, because that facility is the largest with 1,150 seats?

Mr. L. Rapozo: 1,095. We had to make ADA improvements.

Ms. Yukimura: Okay. So you now have 1,095. But that is the largest kind of concert hall seating there is on the island.

Mr. L. Rapozo: Yes.

Ms. Yukimura: So it just has so much use and the sound is so important. So thank you for looking at that.

Mr. L. Rapozo: Now we will be able to justify looking at the rates and bring the rates up with the improvements.

Ms. Yukimura: Now you mentioned this possibility of a Creative Technology Center. I guess we are going to be talking about that?

Mr. L. Rapozo: It is all discussion right now with some of the people looking at that property.

Ms. Yukimura: Because I know there were some alternative sites, but I will leave that...I believe we are having a discussion, Chair.

Chair Furfaro: We will be having a discussion, but it is not funded as a planned item this year. But we will in the very near-future.

Ms. Yukimura: Thank you.

Chair Furfaro: Can I do a follow-up on the mics JoAnn?

Ms. Yukimura: Please.

Chair Furfaro: Between the \$9,000 and \$3,000, we have \$12,000 for an area that is roughly 14,000 square feet and seats 1,095 people?

Mr. L. Rapozo: \$9,000 was for the stage lighting repairs.

Chair Furfaro: That is lighting.

Mr. L. Rapozo: Yes.

Chair Furfaro: It is not sound?

Mr. L. Rapozo: No, the sound was \$3,020 and theater sound system for the microphone was about \$800.

Chair Furfaro: I am as concerned as JoAnn with that. That is not going to do it. That is not going to do it. So we might have to talk to some sound technicians as it relates to the real need. Who else has a theater of 1,000 seats on the island of Kaua'i for any kind of Convention? Nobody.

Mr. L. Rapozo: Nobody.

Chair Furfaro: So we have a real asset there. Mr. Sarita has taken such good care of it and the presentation that you made and the constant improvements I do not want to come up short on the sound system, so I think we need to revisit that.

Mr. L. Rapozo: We will.

Chair Furfaro: JoAnn the floor is still yours. Thank you for letting me share that point.

Ms. Yukimura: I think that is all the questions that I have,
Chair.

Chair Furfaro: Okay. Congratulations Eddie on another job well-done in constantly making improvements of our facilities. Your management of the area and working with Mr. Rapozo is very much appreciated. Thank you.

Mr. L. Rapozo: We will move on.

Chair Furfaro: Moving on.

Mr. L. Rapozo: Our last section which is the Golf Course. With the Golf Course, I would like to turn the table over to Ian Costa, the Deputy, who oversees the operations of the Golf Course.

IAN K. COSTA, Deputy Director of Parks and Recreation: Good morning,
Councilmembers, Ian Costa, Deputy of Parks and Recreation.

Chair Furfaro: Good morning.

Mr. Costa: I am going start with the Wailua Golf Course successes and achievements. We successfully completed conversion of 80% of the tees from Bermuda to Seashore Paspalum by the existing grounds keeping staff and I did report last year that we completed 100% conversion of the greens. This conversion to Seashore Paspalum gives us a more durable grass surface that we do not need to use herbicide and actually we can just use salt to eradicate weeds. Completion of the restaurant lease and renovation of the restaurant lease space and replacement of the aged wastewater lines and

grease trap, as well as the dining room windows and completion of construction of paved aprons surrounding the maintenance building. This helps cut down staff's need to hose down the interior of the maintenance building due to tracking in and out of the equipment of surrounding mud or dirt areas. They can wash it down outside now. Completion and removal of all existing and dilapidated course scoreboards with a new attractive scoreboard to serve future golf tournament, as well as a platform for display and announcements of special events and activities. Successful acquisition of a five-year contract for a new golf shop and driving range concessionaire. after replacement of the existing damaged driving range net and support poles. We did in the this contract combine the driving range operation with the golf shop, which was previously the driving range fell under the management of the Golf Course. Successful acquisition of a five-year contract for a new restaurant concession to provide snack bar, restaurant and bar amenities. Successful acquisition and implementation of credit card services for payment of golf and cart fees, as well as replacement of the previously removed ATM machine to enhance public amenities and services. Recent successful hosting of the 2014 John A. Burns Intercollegiate Golf Tournament in mid-February, involving 16 collegiate golf teams and 90 college players. Unfortunately that tournament was prematurely stopped one day early due to rainout on the final day. Recent recognition by the Golf Channel as the number three of the best...of five best golf courses in Hawai'i and the only municipal course ranked among Hawai'i's four resort courses. Conversion of 100% of tee boxes and this is actually I believe more of this upcoming year to complete the conversion of all the tees, 100% of the tees to Paspalum. Another improvement we are working on is to replace the potable water lines that serve the length of the golf course bathrooms and water fountains. We have a hard time detecting leaks because of the sand and we do not have ponding, but we I have to constantly check often as we may be able to find slightly discolored grass. The lines were put in in the 1960s and we do have leaks from time to time, which causes us a rather high water bill and so we are working on that. Finally we did recently, after the completion of the John A. Burns Tournament, a commitment from the University of Hawai'i, that they do want to make this the permanent home of the John A. Burns Golf Tournament. So they will be returning in 2015. As far as our challenges ongoing challenge of minimizing the gap of the Golf Course's revenues and expenses by maximizing golf play by both residents and visitors through green fee proposals and course promotions and marketing. Providing needed ongoing facility upgrades and repairs. This includes future improvements to the cart paths, as well as the course potable water lines that I just mentioned. We are putting in some moneys, asking for some moneys in this budget to do a renovation of the public lounge, which is often the key gathering place for golf clubs or meetings of the Kaua'i Golf Association and used as a staging place for the summer golf program, as well as the junior golf program. Continued golf fee rate review and potential amendments to maximize golf play by both residents and non-residents. Development of enhanced partnership opportunities with the Kaua'i Visitors Bureau and Royal Coconut Coast Association for marketing and promotion to increase golf rounds by non-residents and we are now a member of the Royal Coconut Coast Association. We follow with our goals and objectives. I will move to the summary. The Department of Parks and Recreation...I am sorry, that actually concludes, unless you have any questions on the Golf section.

Chair Furfaro: Ian, I wanted to hear a little bit from you on the revenue side of the Golf Course. I have shared a proposal that we have worked with you folks on that would add approximately \$100,000 worth of revenues. Do you have comments for the Council on those revenue projections?

Mr. Costa: Thanks to the assistance of the Chair, we have put together a proposal that we need to put into a formal bill and present as well to the golf community, probably to the Kaua'i Golf Association, to make a small increase in fees that we believe will enhance the revenues by a pretty good amount. I think the most significant one is to look at a user fee. The majority of the play at the Wailua Golf Course occurs from monthly card users. So rather than increase the monthly card amount, we are looking at a user fee, a nominal \$2, so every time you use the card, you pay \$2 per round. The Hawai'i County on the Big Island currently implements this. Their card, I believe is \$55 a month and they charge a \$3 fee for every time you use that card. Also, City and County of Honolulu, their monthly cards are limited to ten rounds per month, whereas Kaua'i's monthly cards have no limit. As well as they are not able to use that monthly card on weekends and holidays. So we think that is a reasonable increase and should help us with the revenues quite a bit.

Chair Furfaro: I think we circulated that proposal, but basically Honolulu, the municipal course fee is \$26 a round. But we are comparing the Big Island and Maui and the proposal we have, which is not reflected in the budget is the Kaua'i residents card only is \$60 for the month and for every round they would pay \$2. They would just show the card and pay \$2. The Big Island card restricts them to only ten rounds a month and our cards would not be restrictive to anyone. The visitor fee would go up to \$225 for five rounds of golf during their vacation stay, but only two of those days would be used on the weekends and three on the week days. We will redistribute this. Do you have any idea what might be the best way to begin some dialogue with the Golf Association?

Mr. Costa: I would actually send this directly to them to the Kaua'i Golf Association President and then ask them if they could schedule a meeting with us or a meeting amongst their Association to allow us to elaborate or present this formally.

Chair Furfaro: Okay. Questions? Mr. Hooser?

Mr. Hooser: I do not have a question. I just wanted to compliment Ian and the Parks Department for the progress that has been made this past year. I know this time last year was kind of a rugged kind of discussion that we had and there has been a lot of challenges and I just wanted to commend you for getting the long list of things accomplished, and moving forward. Thank you for that.

Mr. Costa: We have had a busy year.

Mr. Hooser: Thank you for that, and I understand raising or proposed increase in rates is always difficult also. I wish you the best with that now that the facilities seem to be in top shape, if you would, I would hope that the people using it would be willing to step up a little bit more to help. I just wanted to say thank you.

Mr. Costa: Thank you.

Mr. Hooser: Thank you, Chair.

Chair Furfaro: The \$1 million loss, \$200,000 is paying Bond money for the sprinkler system and would take it down from \$1 million, if we paid it with a different source, because the asset needed repair to keep the course in good shape. And

then this proposed changes in fees, although minimum, in my opinion, and still keeps us very competitive, would add another \$100,000, would bring the loss down in year one to about \$700,000. You know, incrementally we would go from there. So it is a lot to consider. Mr. Rapozo, you have the floor.

Mr. Rapozo: Real quick question, Ian. Do we have a tracking system on the cards, the monthly cards where we can get an idea of what the range of cost per rounds would be? Or revenue per rounds? Or do they just show a card and they go?

Mr. Costa: No, we do track that.

Mr. Rapozo: The cards? So we would know if a specific card did 20 rounds versus another card-holder that did five?

Mr. Costa: I am not sure about that. We can track the number of rounds that result from the use of cards, but not individual card users.

Mr. Rapozo: That would be pretty interesting to see if they are a group of people using it a lot and some that do not and what is the average? We should have the average.

Chair Furfaro: We do.

Mr. Costa: Actually, I recently responded to an inquiry on the revenues and I did break down the number of card sales versus the use of that card, yes. I think the use of the card was 3-5 times, the number of cards sold.

Mr. Rapozo: Okay. Thank you.

Mr. Costa: So just as an example, if we sold a thousand cards, it is actually used 5,000 times.

Chair Furfaro: JoAnn.

Ms. Yukimura: Just a follow-up to that. You are saying that for every card we issue, there is about 3-5 plays per month?

Mr. Costa: I think on the average it is 3-5 plays?

Ms. Yukimura: Per month?

Mr. Costa: Off of each card on average.

Ms. Yukimura: So the proposal and I am sorry I have not looked at it carefully.

Chair Furfaro: We can redistribute it.

Ms. Yukimura: It will not institute the system of limiting the number rounds per card that some of the other counties have?

Mr. Costa: No.

Ms. Yukimura: And you could not do that until maybe you get an electronic way of tracking each card or else you would have to do it?

Mr. Costa: Punch a card or something like that.

Ms. Yukimura: Thank you.

Mr. Costa: That is what we do with visitor card is basically punch the card.

Ms. Yukimura: I see. So how much money...I think the Chair said \$100,000?

Chair Furfaro: Per year.

Ms. Yukimura: Yes.

Mr. Costa: That is the combination of the various increases. I think my look at the monthly cards alone would be close to \$50,000.

Ms. Yukimura: Wow. Okay. Well, I really appreciate these proposals because I think we have to do a more...take a more entrepreneurial approach. We have a gem of a golf course, and that is lauded nationally. So it really behooves us to take good care of it and we need money to take care of it.

Mr. Costa: I would like to correct that, the resident cards alone was 50,000 and another 10,000 from the seniors and super seniors.

Ms. Yukimura: Okay. So your mention of this leak-detection and the problem with leaking, a leaking water system, basically, potable water system, right?

Mr. Costa: Yes.

Ms. Yukimura: And you said it was put in in the 1960s, which is 50 years now.

Mr. Costa: Yes.

Ms. Yukimura: So is it not about time to do a major replacement or renovation of the system?

Mr. Costa: Yes. So that is one of the things that we are getting a bid on and should be starting that. That is really...that is limited to the outreach of the potable water system through the golf course, not what is underneath the clubhouse.

Ms. Yukimura: So it is a current project...can you show us where that is in the budget?

Mr. Costa: It was actually funded, I believe last year.

Ms. Yukimura: This is CIP?

Mr. Costa: Yes.

Ms. Yukimura: It is a CIP project. Okay. And that is being also through General Funds payback on the bond, right? It is a Bond Fund-CIP.

Chair Furfaro: That is correct.

Ms. Yukimura: Okay. Okay, well I am glad that that is underway. That is excellent. But you say there is a portion that is not being addressed under the clubhouse?

Mr. Costa: Yes.

Ms. Yukimura: That is about as old as the system that we are replacing?

Mr. Costa: Well, most of the clubhouse area those water lines are either encased in the concrete or in the walls and ceiling, roof structure of the clubhouse itself. Whereas the water line that serves each end of the golf course is basically buried in the sand and that is the ones that we are not able to detect.

Ms. Yukimura: So are you thinking that the system that is in the clubhouse itself within and under, that that is in good condition and we do not have to think about a major repair or renovation?

Mr. Costa: Yes, at least at this time. Because that would entail a much more significant renovation, because we would likely have to, similar to what I had to do with the wastewater lines, actually demolish part of the structure to get to those lines. But like I say, those are a little easier to detect, because we can find standing water.

Ms. Yukimura: And they seem okay?

Mr. Costa: Yes.

Ms. Yukimura: We are not experiencing a lot of problems?

Mr. Costa: Right.

Ms. Yukimura: Is there a regular preventative maintenance plan at the golf course? Every 30 years, every 50 years, roofs have to be changed?

Mr. Costa: To my knowledge there has not been one to-date and part of my completing at least the repairs that are necessary or overlooked for a number of years at this time would be to establish that, yes.

Ms. Yukimura: Okay. So it is your intention to develop a long-term preventative maintenance plan?

Mr. Costa: Yes.

Ms. Yukimura: Okay. And do you have a timetable for that?

Mr. L. Rapozo: Councilmember Yukimura, as we are having a Planner coming on board effective May 1st and she will look at the whole maintenance piece for the whole Department, including the Golf Course.

Ms. Yukimura: Okay, very good. Thank you. So I was wondering in your “goals and objectives,” whether is it an unspoken goal or it is not just a goal to narrow the General Fund subsidy to the Golf Course and make the Golf Course operations more self-sufficient and sustainable? Is that a goal or is it not a goal?

Mr. Costa: It will always be a goal, yes.

Ms. Yukimura: So can you articulate that maybe next year in the “goals and objectives?”

Mr. Costa: Sure.

Ms. Yukimura: Thank you. I believe that is all I have.

Chair Furfaro: JoAnn’s question is a very good one as we realize that some of these CIP moneys are actually being charged against Golf Course operations, which should be something in the future that we revisit. But I think the first test of bumping the rates and what you mentioned, I think, you could have shared a little bit more with us on working with the Royal Coconut Coast because part of the intention is to get more rounds of golf out of the hotels in the east corridor. I think after year one, and when we get to next year, I would really like to make sure that we are focused on tracking some numbers as to what we are seeing in the way of increased visitor rounds of golf or group rounds of golf and so forth, especially since the Royal Coconut Coast is kicking itself off as a destination area. So very important area for next year.

Mr. Costa: Thank you.

Ms. Yukimura: Yes, it seems like the Coconut Coast promotion and relationship is such an opportunity, because there is no real other golf course on the Coconut Coast, is there?

Chair Furfaro: No.

Ms. Yukimura: The Wailua Golf Course is their answer, so to speak to not having that option.

Mr. L. Rapozo: I think they are part of the answers as well.

Ms. Yukimura: Yes, it is only a part.

Mr. L. Rapozo: Yes. I think it is going to be very important to have the John Burns Tournament, which is the largest golf tournament in the State right now. To attract new faces on the golf course. I think we need to.

Ms. Yukimura: Exposure.

Mr. L. Rapozo: Those that are in the tournament, those golfers are the top 2% in the nation that probably will be on the PGA at one time in the future. But normally, if you are a golfer, your friends are golfers, your families are golfers and everything combined along with attracting these tournaments that will bring new faces to the golf course to help generate new revenue.

Ms. Yukimura: I think the exposure is tremendous.

Mr. L. Rapozo: Yes.

Ms. Yukimura: But then a flexibility fee system that can take advantage and raise it enough to get moneys to support the Golf Course, but not too much that you put yourself out of the market is going to be the secret, I think.

Mr. L. Rapozo: That is going to be the challenge.

Ms. Yukimura: I am proposing a Charter Amendment to allow the Council to delegate the fee-setting to the Administration by ordinance but we would need to see a plan from the Administration to give us assurance that the power that we are going to delegate to you is going to be well-used to take advantage of the market, but to not price yourself out of the market, to give you flexibility for certain promotions, etc. Not, you know, experience the lag time it takes to go through the political process of a public hearing and all of that. So just know that we will be expecting a plan or a proposal, if the voters approve of this, it is a potential delegation and will empower to delegate and whether we delegate or not will be by ordinance.

Mr. Costa: I wanted to mention that the Royal Coconut Coast is a key partner in the John Burns Tournament, since most of the teams and players had accommodations at the Royal Coconut Coast. So we will try and get them more involved in the promotion, as well as running the tournament.

Mr. L. Rapozo: There is a lot to learn with this tournament. It took me two years to get them here. We took them from a resort course on Oahu.

Ms. Yukimura: Good for you.

Mr. L. Rapozo: We have learned a lot. That will be part of Recreation's jobs or duties to help with the coordination of the tournament.

Mr. Costa: Each of those 90 players usually has at least two or three family members, as well as supporting coaches.

Ms. Yukimura: You can really see how mutually advantageous this relationship is, because if you have a tournament at the golf course, you are right, the logical place for people to stay is the Coconut Coast and the Coconut Coast does not have a golf course and really the Wailua Golf Course is the Coconut Coast Golf Course.

Mr. L. Rapozo: The University blocked whatever rooms from the Kaua'i Beach Resort. So there will be discussions there, as well as part of being hosts the tournament.

Mr. Costa: I would like to add to that, that is part of the reason that the University of Hawai'i is looking to move it here. They were holding it at Turtle Bay and they did not have that kind of support.

Chair Furfaro: I think this is a good team effort and I would really kind of like to wrap this up here, before we break for lunch. But I also want to ask that the next three months, I would like you to really keep track of what is going on with activities at the Golf Course so we can compare to last year, with food vendors and services and increase in play. Again my compliments it is in very nice condition.

Mr. L. Rapozo: Chair before, we adjourn.

Chair Furfaro: We are not going to adjourn. We are going to be recess.

Mr. L. Rapozo: This afternoon will be CIP.

Chair Furfaro: I want to talk about CIP this afternoon, but I want to wrap this up on the Golf Course.

Mr. L. Rapozo: Before we go I want to introduce the Department who is here, because Mr. Hooser was not here the last time.

Chair Furfaro: Sure.

Mr. L. Rapozo: William Trujillo, Planning and Development Chief. Craig Carney, the Golf Course Maintenance Director. Vince Parangao who is TAing as the Chief of Parks Maintenance. George Alghren had retired effective close of business on March 31. Of course the renowned and infamous Eddie Sarita at the Convention Hall. Cindy Duterte, the Administrator for the Recreation Division. Behind our Parks Fiscal and Permitting which is Lynn Kuboyama who is in charge of Fiscal and John Martin who is in charge of Permitting and Security. Of course the Finance Department who gives us the support and keeps me on track as to do everything financially legal.

Chair Furfaro: So when we come back from lunch, we are going to focus on CIP especially in the western district, in Waimea, because they have a very small fund to work with. Then after that, we will wrap it up and go to Economic Development. Thank you very much.

Mr. L. Rapozo: Thank you.

Chair Furfaro: We will come back at 1:35 p.m.

There being no objections, the Committee recessed at 12:33 p.m.

There being no objections, the Committee was called back to order at 1:30 p.m. and proceeded as follows:

Chair Furfaro: We are back from our lunch recess and we are in a call-back from the Parks and Recreation Department and in particular this next hour we will be covering CIP items, Capital Improvement Projects within the Department. Lenny, I will give the floor to you.

Mr. L. Rapozo: Thank you, Council Chair for the record, Director of Parks and Recreation, Lenny Rapozo. For the CIP, I believe we left off with the Waimea-Kekaha District. So in that district, we start with page 5 of the CIP handout. The ADA barrier access removal, this is in Waimea. This one we currently are finalizing our bid documents, and we expect to go to construction the 1st quarter of the next fiscal year. Kekaha Gardens, this is a project that from what I have been told by the community is almost 30 years and it has not been done. We are proud to announce that Tomco was selected and we executed the contract and we will be breaking ground and invitations will be coming over to you shortly on May 9th for a blessing and dedication of this project at Kekaha Gardens Park. The ADA access barrier removal at Waimea is additional moneys for the project. Bleachers in the park, in parks in Waimea, and at this time I would like to note that our CIP Manager, Keith Suga has arrived on-scene, sitting with us. I would be remiss not to acknowledge that William Trujillo, Parks Planning and Development Chief is also with us here. Hanapepe ADA walkways and food booth. We are currently procuring the professional services for this contract and we anticipate the execution of this contract will be done in May. Hanapēpē tennis court lights improvement, the design is complete. We are moving to construction in Fiscal Year 2015. Kaumakani Gym improvements is a new project and following the recent flooding of the weather event that we had and we had just talked about this during our operational budget review. During the last rain event there was a flooding situation in the Gym. We corrected the flooding issue that how the water got into the Gym, but now we have to deal with the damages of the floor. So we think that this money here would be sufficient enough to fix the floor. Kekaha Gardens Park, again, this is moneys in addition, to the \$740,000 additional. ADA bleachers, park bleachers replacement for Waimea Canyon Park. Improvements to Veteran's Cemetery in the Waimea District. Deputy Director Ian Costa has talked about this at our last budget meeting. This is the moneys for that improvement and we anticipate going out to bid for construction in Fiscal Year 2015. Waimea roof renovation, the consultant is on-board, and currently doing the work. On page 6, again Kekaha Gardens Park additional moneys for the completion of that project. We are currently moving for professional services and that contract we anticipate that contract to be executed and on-board by May. The remaining Park Improvement Trust Fund for the District, about \$50,000 and the renovate Waimea Pool roof as part of the whole Waimea Pool renovation and that one we have the consultant on-board as well. The same consultant, I am sorry. The same consultant, but he is on-board and doing the work and that would complete the Waimea District, sir.

Chair Furfaro: First question for Keith, \$4.7 million for Waimea District as a subtotal on page 6. The unencumbered balances as of 21st of January 2014, talking in terms of the whole Parks Department, \$11,322,319. What is your estimate

actually that would...in the way of dollars will be spent, completed, and depleted from the money available in the year 2014-15?

KEITH SUGA, CIP Manager: Keith Suga, County CIP Manager. Good afternoon, Chair and Councilmembers. So like you mentioned for the total, unencumbered balance as of 01/21 for Parks is roughly \$11 million. I ran as of 4/1/14, I ran the latest unencumbered balance and because of some projects getting to contract award, the new balance is \$9.6 million. So from April 1st through the remaining of the fiscal year, I think with some of the projects kind of close to the award phase, we could probably look at another roughly maybe \$1 million, \$1.5 million being encumbered for the remaining months in the fiscal year.

Chair Furfaro: Okay. So how much of your time and Trujillo's time is actually charged against these projects?

Mr. Suga: I believe none of my time and I am not sure how much of William's.

Mr. L. Rapozo: None of William's in General Fund.

Chair Furfaro: I will ask the Administration why not? Why not? What prevents us, since you manage these projects that a portion of administrative time is not charged against the projects?

Mr. L. Rapozo: I am going to ask Steve for help with that one. I am not aware I could. It is a good question.

Chair Furfaro: Yes.

STEVEN A. HUNT, Director of Finance: Steve Hunt, Director of Finance, for the record. It really depends on the source of funding and looking at Bond Fund and BABS Funds especially, you have to be very careful as to the amount of time being billed to that. We have come across this and requests from other Departments, looking at billing labor or having the Bond Fund fund a portion of the labor. But we potentially jeopardize the tax-exempt status of the bond if we are not accurate in projecting that. We have to make sure that the time specifically allocated to that project is actually going to that project and that that project qualifies. When you are dealing with someone who manages multiple projects, it is often very difficult to determine how many hours are spent on each project.

Chair Furfaro: It is just a matter of managing the project. But here let me pose this question, because I was in San Francisco with the Bond Counsel when I asked this question. If we are using in-house labor to build a brick wall that is going to be used for a park, the project can take a credit for that portion of the work.

Mr. Hunt: I would agree with that.

Chair Furfaro: Thank you. Now who is giving the oversight of the phases of the projects, we should be able to charge a percentage of project oversight to recover our administrative costs and I think that is a possibility.

Mr. Hunt: It could be a possibility. I do not want to commit, because there are issues, you know, determining on how many projects are being managed and which would be eligible?

Chair Furfaro: Sure. But at the same time, when we are spending another \$350,000 on the Kilauea Gym roof, and we need to actually send somebody out there to make sure that the right washers are being used with the right bolts, with the right plugs on the interior, that requires making sure the standards of the roofing contract was done appropriately. So that the roof does not leak and we should be able to charge for that.

Mr. Hunt: Again, it depends on the...how it is capitalized, I guess would be the appropriate response.

Chair Furfaro: Typically how much could we capitalize, Steve? In a typical world of managing over sight of a contractor or accountability of the moneys, the payouts? Because those fine terms are usually in every general contractor's contract. I mean will there are legal definitions of what can be done.

Mr. Hunt: It is much simpler when it is done outside. When it is done inside and this was something that I did discuss with our Bond Counsel Brian Hirai, and if it is a project manager that is specifically working on only CIP projects, it is very easy do. But if you are intermixing regular duties with work that is involved with capital projects, it is not a percentage. It is actual billable hours and including the fringe and calculating it. So we would end up spending a lot of administrative time trying to bill administrative time.

Chair Furfaro: I have always billed in the private world \$50 million hotel renovation projects, I have always been able to charge the oversight of the Chief Engineer, the oversight of the Assistant Controller, who is managing the money, who is reporting the cash flow, to the people that we are borrowing the money and in most cases it is the owners / lender and of course, to make sure that we have the appropriate...I mean third-party hotel ownership, we get audited all the time and we want to make sure we have an audit trail. So there are some challenges there, I agree. But it could be done. I will send that over as a question with some urgency. We do this, like in the Building Fund, that we have with Doug and, in fact I introduced a piece that allowed that to be increased to \$200,000 as a Revolving Fund. So we could recover time, because Doug could not do it all. He could not be in Kekaha and the Kilauea Gym and Pat Kaihara helped us with the \$4.2 million restoration of this building to be here to manage our part of the project. So I would really like to get in some urgent information on, that because I think would could take some credit here, rather than have small amounts carried over for the work that we do in-house.

Mr. Hunt: Specifically the conversation I had with Brian Hirai was about Pat Kaihara and whether we could allocate his time and even with someone who is dedicated to projects like that he said be very, very careful.

Chair Furfaro: Well, I would not want us to go in there and be sloppy and I would expect people to be careful on what they are doing, but this is something that I expected that we could have got out from an audit of the Building Department. I have not seen it yet. You know? And yet I am very, very aware of the opportunity here

that we have, even if we save \$200,000 in salaries in the operating account, because we are managing \$11,322,319 of asset improvements that are for the Parks. It is a question well-worth asking. Anything that you can get me caught up on, Steve, I would appreciate it. I would appreciate it very much. Questions for the Parks Department? In building on CIP, especially in the...let us see we have \$4.7 million going towards the west side. JoAnn, you have the floor. Go ahead.

Ms. Yukimura: Thank you. Of that \$4.17, from my calculations about \$1.6 million is going to Kekaha Gardens Park. So have we included in the design energy-efficiency issues? Are there motion-sensitive lights? Those kinds of things in the design?

WILLIAM TRUJILLO, Chief of Planning and Development: William Trujillo, Chief of Planning and Development for Parks and Recreation. There are energy considerations put in, if you are asking specifically about motion sensors, there are no motion sensors. We are taking more natural light. We put in the solar tubes to get more natural lighting in. And, in fact, excuse me, even in powering the irrigation, we took some energy considerations into that. To be honest, that site does not have much energy draw that we are foreseeing just because it is a comfort station and a pavilion, but we do whatever we could to make it.

Ms. Yukimura: Well, sounds like you did some real thoughtful things. The sun is so hot there that it seems like...do you have parking lights? None?

Mr. Trujillo: No parking lights.

Ms. Yukimura: Okay. But bathroom lights?

Mr. Trujillo: Bathroom lights, yes.

Ms. Yukimura: It is wonderful that you have natural light built in. But if you have lights for night-time, those could stay on all night if people do not turn them off?

Mr. Trujillo: I would have to look at what kind of controls we put in and if we have timers on them. Because we could put timers on it also.

Ms. Yukimura: It is usual to put timers on bathroom lights, is that your practice now in designing new facilities?

Mr. Trujillo: We are looking at different options on how to control lights and make sure it goes off at night and things like that, or after a certain amount of time.

Ms. Yukimura: And you have figured out which is the best?

Mr. Trujillo: Yes.

Ms. Yukimura: So is it that if timers are better than motion-sensitive lights?

Mr. Trujillo: According to the consultant, when he we were first looking at options for controlling the power at that site, that was the best option. If it was timers by time or how long the lights stay on, then it automatically goes off.

Ms. Yukimura: So you can follow-up and let us know?

Mr. Trujillo: Definitely.

Ms. Yukimura: I am interested in something that becomes a standard practice for whenever we design. Using whatever research you do for the first project that determines a good system. It will not always apply. I mean, Kekaha is a lot drier and hotter than the north shore, but you would tweak then for difference of place, but still some standards. So your bathrooms, are we getting a park designer to design a new bathroom style every time we have a new park to build or are we having a standard bathroom?

Mr. Trujillo: One of the items in the CIP budget is to hire a consultant to do standardized comfort stations and hopefully give us a few different size options. But to give us a standard design that we can, like you said, go out and tweak as each site needs.

Ms. Yukimura: Excuse me and so where is that in your budget?
It is an operating cost, right?

Mr. Trujillo: Negative. It is a CIP, page 1. Comfort Station
Improvements, \$250,000.

Mr. L. Rapozo: This was our discussion in our last CIP meeting.

Ms. Yukimura: Right. So it is like the second to the last...or
third to the last. Yes.

Chair Furfaro: Okay, can I follow-up on your question? So that
is the \$250,000 for the improvements into the public facilities.

Mr. Trujillo: The thought behind this item was to come up
with standard design of comfort stations that we could apply going forward as we construct
new comfort stations.

Chair Furfaro: So I guess where JoAnn is going, is there thought
about the design that makes the contribution to energy savings? If we are making energy
savings, what is the proposed spending going to show us as a return on investment? What
is the ROI on the building if we are going to spend \$250,000 to design it? I know a very
capable architect, who is sitting behind you, could save me \$250,000. What is the return on
the investment, because we are spending a quarter of a million dollars?

Mr. L. Rapozo: I hear the question. And this one is to get the
consultant to do the design, so we will find out what you are asking.

Chair Furfaro: \$250,000 to get the consultant to figure out the design on how we get a return on the investment for power in public bathrooms.

Mr. L. Rapozo: No, the \$250,000 as we discussed in our last meeting was to get three types of comfort stations, small, medium and large. I understand what the question is and when we do the designs what would be the return on energy savings for our investment?

Chair Furfaro: Yes.

Mr. L. Rapozo: So the consultant is going to be charged to come up with three basic designs.

Chair Furfaro: It is your floor, I just wanted to make sure that the thinking was going right.

Ms. Yukimura: I think we are on the same track and I think you guys are, too. So in the process of getting the standard design, energy use will be considered?

Mr. L. Rapozo: Yes.

Ms. Yukimura: So the charge to the architect will be to get a design that is as energy-efficient as possible. Once he comes up with the design or as he analyzes various designs he should be able to calculate return on investment in terms of savings, compared to a conventional design?

Mr. L. Rapozo: That will be the scope of work, yes.

Ms. Yukimura: Okay. So that is really excellent. I know that does not include the retrofit of the ones that have been ADA'd around the island?

Mr. L. Rapozo: No.

Ms. Yukimura: That one you are going to wait until you get a design expert?

Mr. L. Rapozo: Yes.

Ms. Yukimura: Like the Stanford process.

Mr. L. Rapozo: Yes.

Ms. Yukimura: Okay. You might ask him to think about it, that consultant, you get. You never know. So if I may continue then?

Chair Furfaro: You have the floor.

Ms. Yukimura: Thank you.

Mr. Rapozo: I have a direct follow-up to the lighting, Mr.
Chair.

Chair Furfaro: Go ahead.

Mr. Rapozo: I would recommend lights that shut off by time, after a certain time in the restroom because the worst thing is running to the bathroom at night and the timer time has passed and the lights do not go on. I could see after a certain amount of time the lights shut off and I think some jurisdictions you go, why they do that, I do not know, to confuse people. You know where you normally find the switch and it is not there and you really have to go. So I think if we are going down that road, to consider the late-night toilet user, because it is frustrating. Thank you.

Ms. Yukimura: A user-friendly system, so it has to work well.

Mr. Rapozo: It is just less mess you have to clean-up in the morning.

Ms. Yukimura: That is true. You have to think about all of these things. On your Hanapēpē tennis court light improvements, all of our designs are now being shearwater friendly or bird-friendly?

Mr. L. Rapozo: Correct.

Ms. Yukimura: Very good. Just this weekend I was asked about the skate park in Kekaha, is that in the plans?

Mr. L. Rapozo: Not at this point.

Ms. Yukimura: I hope it is going to get into the plans. For that, too, we could get a standard design and put them in different neighborhoods, right?

Mr. L. Rapozo: Well if you remember we had the presentation with Danny Way.

Ms. Yukimura: I was not here, but I have heard about it.

Mr. L. Rapozo: We are planning to use the Kapa'a Skate Park as the model as to how we are going to build skate parks on the island with partnership between government and private. Then we will look at how we can best meet those needs across the island after we finish the Kapa'a one.

Ms. Yukimura: How long is that going to take?

Mr. L. Rapozo: We are waiting for...and I am trying to get an idea of cost before decision-making from the Danny Way Foundation, who is doing the designs and will give us an idea as to what construction costs will be.

Ms. Yukimura: Okay. If Kapa'a is the first site, are we not also determining locations in other communities?

Mr. L. Rapozo: We are. We have possible locations that were identified in our master plan.

Ms. Yukimura: The Park Master Plan?

Mr. L. Rapozo: Correct.

Ms. Yukimura: Is there a skateboard park for Waimea / Kekaha in the Master Plan?

Mr. L. Rapozo: In Kekaha, yes.

Ms. Yukimura: Where is it?

Mr. L. Rapozo: Located near the neighborhood center, but we have not had any discussions with the community about this. It is just an identified site. I hope that the Kekaha residents do not get all up in arms that they have not heard about it, because we have not done the outreach yet.

Ms. Yukimura: It is just some mothers who say the kids are going on the streets and everything.

Mr. L. Rapozo: Yes.

Ms. Yukimura: They are wanting some place safe for them.

Chair Furfaro: Can I do a follow-up on that? I thought we talked about that a moderate-sized skate park, just for design, we were talking between \$18,000 and \$22,000 just for design. I was of the impression that Kekaha was identified.

Mr. L. Rapozo: No, sir. The pilot or the pilot project was Kapa'a, because it is already an accepted use. The skateboarder professionals that were here, they looked at that skate park and there is some real liability issues the way it was designed. So they want to use their expertise and we wanted to attack that one first. But they did mention that a moderate skateboard design was about that cost.

Chair Furfaro: I kind of remember that discussion, because I kind of had to pay with an OIP query when I let him come and speak without any Q&A.

Mr. L. Rapozo: Yes.

Chair Furfaro: But for some reason I thought we were focused this year on a design and that number does not show up in any Park CIP?

Mr. L. Rapozo: No, because we were waiting for the final design for Kapa'a to redo Kapa'a.

Chair Furfaro: I see. I was only talking about design. I was not talking about building.

Mr. L. Rapozo: Yes. That was very clear.

Chair Furfaro: Thank you, JoAnn. You have the floor.

Ms. Yukimura: Kapa'a, can you really use Kapa'a as a standard design if it is a retrofit?

Mr. L. Rapozo: I did not say it was a standard design, but the pilot project was how we will work private and government in doing a skate park project.

Ms. Yukimura: Okay. Well, I know that I got the specs for a skateboard park from City and County. So they have some variety of levels for skateboard parks. So for one that is built from scratch, are we planning to work with Danny Way? It seems that we do not have to wait for Kapa'a in order to get a brand-new built from scratch as the model for all other places where it is going to have to be built from scratch, right? Is there any other skateboard park on the island?

Mr. L. Rapozo: Other than the private one at Kīlauea.

Ms. Yukimura: There was one at the church in Po'ipū.

Mr. L. Rapozo: On the bypass?

Ms. Yukimura: Right. We could maybe learn from them, but it is still two different processes. Right a retrofit versus a build from scratch?

Mr. L. Rapozo: Correct. We wanted to work with the community and the private Danny Way Foundation who will be raising moneys to contribute to this facility.

Ms. Yukimura: If I can, I have one more question.

Chair Furfaro: Go ahead.

Ms. Yukimura: Kato Park restroom, we are in the process of procuring professional services. Are we designing ADA restroom renovations for \$50,000?

Mr. Trujillo: Kato Park Restrooms ADA improvements was put in by Council at the end of the last CIP to put a bathroom in at the Hanapēpē Sports Complex. The thought behind hiring a professional service was that we are taking that money, the ADA walkway and food booth, as well as the Hanapēpē Stadium ticket booth money and procuring a consultant to look at the overall scheme of the Hanapēpē Stadium Complex to see what and where everything and how everything should fit? Rather than us building a bathroom.

Ms. Yukimura: Kato Park is not in Kalāheo? There are two Kato parks?

Mr. L. Rapozo: In Hanapēpē Stadium it is called Kato Field
Park.

Ms. Yukimura: That is from our former County Clerk, Tatsuo
Kato.

Mr. Trujillo: Both parks are named after the same person?

Ms. Yukimura: I do not know. So that \$50,000 is not just for
ADA restroom improvements?

Mr. Trujillo: Correct?

Ms. Yukimura: It is for more than that. It is for also, you said
the foodservices building.

Mr. Trujillo: That money right there on page 6, as well as the
items on page 5 are being grouped together to hire a consultant.

Mr. L. Rapozo: I guess, Councilmember Yukimura, what the
thinking is, you have the senior softballers that want a restroom by Kato and all of this
other stuff and how do we fit it? We want to plan and make sure it works well with
everything to do a complete planning and design for the whole area to make sure that
everything fits.

Ms. Yukimura: So I am glad that you are doing that, so it is not
just piecemeal single-purpose.

Mr. L. Rapozo: That is right. How does it interact? What is the
connection?

Ms. Yukimura: Where can you get the maximum utility?

Mr. L. Rapozo: Exactly.

Ms. Yukimura: That is going out to bid and the plan?

Mr. L. Rapozo: The stadium complex.

Ms. Yukimura: The whole stadium complex is what he is going
to be designing for?

Mr. Trujillo: Correct.

Ms. Yukimura: But the improvements are more in the area of
the Kato Park?

Mr. L. Rapozo: I think what you are asking for will be where the
food booth is, where Kato Field is and how does it relate to one another? Basically it is
pretty much the stadium complex.

Ms. Yukimura: Thank you.

Chair Furfaro: Is there any savings in what we are doing for this bathroom facility as ADA and standardizing it with the \$250,000 we have on another line item?

Mr. L. Rapozo: I am sorry?

Chair Furfaro: Are we not earmarking money to have someone study and conceptually design a standard bathroom facility that is energy efficient, water unrestricted, and so forth for \$250,000? Now I am saying and over here, we have \$50,000. Is there an opportunity to save some money because the bathroom that the consultant is going to come up with, all you are going to do is put the footprint in the stadium complex. Is there any savings?

Mr. L. Rapozo: Yes, there will be.

Chair Furfaro: But it is not reflected in CIP right now?

Mr. L. Rapozo: No.

Chair Furfaro: To be announced.

Mr. L. Rapozo: To be announced, I guess.

Ms. Yukimura: May I follow-up?

Chair Furfaro: JoAnn.

Ms. Yukimura: So you have \$59,800 for procuring professional services for the Hanapēpē Stadium ADA walkways and food booth and then you have \$25,000 for currently procuring professional services for the Hanapēpē Stadium ticket booth. Then you have \$50,000 currently procuring professional services for the Kato Park restroom ADA improvements. So that is a total of \$125,000 for professional services? All for an architect / engineer to design those four things?

Mr. Trujillo: Yes, as well as how to layout what the...like Lenny said, how that complex...where these items should layout in the park.

Ms. Yukimura: So how come they are broken down and not just one project?

Mr. Trujillo: When they were budgeted last year, they were separate projects that were budgeted. We thought rather than having three different people in the same area, we would hire one person to do all of the services.

Mr. L. Rapozo: Two projects came from us, one from this body.

Ms. Yukimura: Right. Could you not come back and propose it was one project this year? I mean, it is just that you cannot see the connections, looking at these as line items. So it looks like, on this paper, it looks like three different projects and we are just not seeing all the connections and thinking \$125,000, but maybe that is what is needed. You are anticipating that the total project is going to cost what? 90% of that...it is 10%, is that what you are anticipating sort of?

Mr. Trujillo: Yes.

Chair Furfaro: \$400,000 all together.

Ms. Yukimura: For construction?

Chair Furfaro: The two projects between them, all for Parks.

Ms. Yukimura: Maybe putting it together, if, in fact, it is all one project.

Mr. Trujillo: We will look into that, thank you.

Chair Furfaro: I guess what I am saying along the lines of what JoAnn is saying, we are talking about ADA bathrooms as a separate project. Then we have this, between the two of them, we have almost \$400,000 and seems to me, I am going through something like this right now in working on a project for one of my clients. I am not spending that kind of money for design. My gosh, it almost reflects to me that you might have to rethink that and you could probably get it done for \$200,000 between the projects. You are doing one template and it is going to be repetitive, that is what I heard you tell me.

Mr. L. Rapozo: Yes.

Chair Furfaro: One template that is going to be repetitive. There should be some savings there. Please look into it.

Mr. L. Rapozo: We believe there will be savings, Chair.

Ms. Yukimura: I am not sure it is \$400,000. I am coming up with \$125,000.

Mr. L. Rapozo: I think the Chair is also adding the \$250,000.

Ms. Yukimura: Oh, I see. Thank you.

Mr. L. Rapozo: And he is right, the design could encompass ADA bathroom because it would be a template design, but that bathroom project came in as an addition from Councilmember Kagawa.

Chair Furfaro: Which is fine. But if a Councilmember makes a request and it was a very good one, then we should be able to put the sheets together and say there is some economy of scale here, especially if we are cutting the template design

that is going to be repetitive park after park. Now I am on and JoAnn wants to speak and she is off.

Ms. Yukimura: We will have to coordinate here. So if I could go on. I want to ask about Kaumakani Gym improvements. I am all in favor of fixing the floors, but I was wondering, how did...you said you solved the problem or figured out where the water came from.

Mr. L. Rapozo: The last rain event, the floods from upper field made its way into the Gym and it flooded the Gym. So we, with the help of Public Works, they designed a swale.

Ms. Yukimura: Diversion.

Mr. L. Rapozo: A diversion and created the swale and did improvements to the drain system there at Public Works' advice and we made those corrections. Now we have to make the repair to the Gym.

Ms. Yukimura: Was that the same flood that the Prius turned over?

Mr. L. Rapozo: Yes.

Ms. Yukimura: That was a big flood. I am just glad nobody got hurt.

Chair Furfaro: We have got to get the feedback fixed on this, so we are not turning on and off mics and I have the floor and then JoAnn has an echo. There we go, we are coordinated here. I would like to recap, because I would like to do a tape change before we start Economic Development. Lenny, very pleased with the work that you are doing at the Convention Center and anticipate the great things that you have done at the Golf Course to get it ship-shape, but please consider that we need to look at some recovery of some revenues and I know Mr. Costa has been close to that. Then with the Waimea District, to go with a template for the bathroom piece that are ADA compliant and energy-efficient, and we understand that you are trying to do a master plan for the stadium, but if we are spending that kind of money for a template, let us plan to use it and save some money. Now JoAnn, I will shut off my mic and you have the floor.

Ms. Yukimura: Thank you. On the Park ADA bleachers, it is \$800,000 to furnish and install new aluminum bleachers, not just ADA or maybe I just do not understand.

Mr. L. Rapozo: That is Hanapēpē?

Ms. Yukimura: Yes.

Mr. L. Rapozo: That is to replace all the wooden bleachers in Hanapēpē, design and construction.

Ms. Yukimura: So it is not just for ADA purposes?

Mr. L. Rapozo: Yes.

Ms. Yukimura: They are all ADA accessible bleachers?

Mr. L. Rapozo: They are not...the wooden bleachers are not ADA accessible.

Ms. Yukimura: Right.

Mr. L. Rapozo: So the design is to come up with a design for the stadium, new bleachers with ADA.

Ms. Yukimura: They do not have bleachers that are modular.

Mr. L. Rapozo: This is Hanapēpē Stadium, the wooden bleachers were built back in the day.

Ms. Yukimura: Right but now you are going to replace them all with aluminum bleachers, correct?

Mr. L. Rapozo: Correct.

Ms. Yukimura: They do not have built-in ADA improvements? You cannot possibly buy bleachers today without them being ADA.

Mr. L. Rapozo: Councilmember Yukimura, you have a certain space and yes, they are going to be ADA bleachers like the baseball field at Līhu'e Stadium, but you still need to design it so it can be put in. It is being customized. So it is in a stadium. It is in a stadium complex configuration.

Ms. Yukimura: The bleachers are the main part of the cost or the customization is the main part of the cost?

Mr. L. Rapozo: I think the construction of the bleachers because that also includes the area, the announcer's booth and the area where the coaches do what they need to do as part of the stadium complex.

Ms. Yukimura: So maybe it is just not a complete description.

Mr. L. Rapozo: Aluminum bleachers are expensive.

Ms. Yukimura: That is why aluminum is so recyclable. Thank you.

Chair Furfaro: Lenny, I do not think we have any more questions for you, but before we take a break, I want to call up Ernie Barreira to get something clarified here. Gentlemen, thank you very much.

Mr. L. Rapozo: Thank you.

Chair Furfaro: Please consider some of the comments that we shared. Ernie, we are going to go to Economic Development and they have very specific times for the call back items that we have here, but I want to make sure that we have got this because the Mayor is here to make a closing statement on the first budget presentation. This will be our last day for call-backs and May 8th is when we are going to see a return of your reforecast here. I just want to make sure, are we going to then receive it electronically and just get one copy that has to be date-stamped. What is your plans, Ernie?

ERNEST W. BARREIRA, Budget & Purchasing Director: Good afternoon, Chair, Ernie Barreira, Budgeting and Purchasing Director. With your coordination and leadership in working with yourselves and the Mayor we submitted the supplemental budget in electronic format and sending one hard copy for receipt for the Clerk. So with your permission we would like to proceed in that vein, since we are working collectively to go more paperless in the County.

Chair Furfaro: I just wanted to reconfirm we will need one hard copy to date-stamp for the Clerk's Office.

Mr. Barreira: Including the CIP, yes, sir.

Chair Furfaro: So we will look for the supplemental budget electronically.

Mr. Barreira: Yes, sir, thank you.

Chair Furfaro: On that note we are going to take a 10-minute break. I have two hours...I have to take somewhere in there, I have to take a break. So if we are not going to do a tape change, let us do a 10-minute break and then a short one, only a tape change. Okay. So in compliance with our requirement for a caption break, we are going to go on a 10-minute caption break now and then go until 4:30 p.m. We are on a 10-minute recess.

There being no objections, the Committee recessed at 2:23 p.m.

There being no objections, the Committee was called back to order at 2:38 p.m. and proceeded as follows:

Office of Economic Development

Honorable Gary L. Hooser
Honorable Mel Rapozo
Honorable JoAnn A. Yukimura
Honorable Jay Furfaro, Council Chair

Excused: Honorable Tim Bynum
Honorable Mason K. Chock, Sr.
Honorable Ross Kagawa

Chair Furfaro: We are back from our recess and now we are coming back and these are call-back items, very specific times and topics. We have Economic Development returning to us. The first area we want to talk about is Energy and followed by WIA, followed by other Economic Development issues and then allowing in that time, some closing remarks from the Mayor. Okay? So is Mr. Costa here? There he is. George, if you would come up and bring your Energy people up and there is a subject-matter that has been posted and not all over the area of Economic Development. George, if you could introduce yourselves and Ben, the floor is yours.

GEORGE K. COSTA, Director of Economic Development: All right. *Aloha* Chair Furfaro and Honorable Councilmembers, for the record, George Costa, Director for the Office of Economic Development. As you mentioned today we have three topic items, Energy, Workforce Development, presented by Kaeo Bradford and I will finish up with our OED budget. Without further ado I will introduce Ben Sullivan, our Energy Coordinator.

BEN SULLIVAN, Energy Coordinator: Ben Sullivan, energy coordinator. I assume that projector is warming up and we will have visibility.

Chair Furfaro: If you could turn off the lights, sir. That is a good topic with you.

Mr. Sullivan: Turn off the lights, wonderful and today is Earth Day, very appropriate. I am sure you considered that when you scheduled us to come back. I want to start out by saying that I am really happy to be here and I am really happy that you are giving us an hour to discuss this challenging topic. It has been a challenging year for us but we have learned a great deal. We believe there is a lot of good things happening and we are, in fact, moving forward with regards to energy and progress within the County. See if I could advance that slide. Beautiful view there. Starting off, many of you attended a wonderful conference in collaboration with KEDB last August and we had quite a good amount of participants and something just under 200 people participated and we had a very interesting conversation about a transformation that is happening across the energy sector and everybody with managing more data and driving energy-efficiency and institutionalize it and many other things. We were very happy with outcome of this conversation and this progress and this work is going to have to continue because there are a lot of challenges that we face. We have all three of the PUC Commissioners attend. A number of other people from O'ahu and around the State and other people from around the Country. One of the things that really stood out for me, we are in a position to take some

bold step and indeed we need to and one thing the Mayor announced at this conference we have an objective to reduce our energy consumption by 30% over the next ten years. As well as a target of 50% fossil reduction in our fleet over the next ten years and we believe that we have the projects identified to get us most of the way there. We know we have to come up with some things to really achieve those goals, but believe that long-term aggressive goals are key. We also know that it is all about collaboration and I will touch a little bit more on some of the collaboration underway as a result of this conference and other things. This is just intended to give you a quick review of some of the things that we presented as our goals and objectives from last year. We said we wanted to start moving on the landfill methane and street light for energy production. I will not spend a lot of time on LEED certification, but some of that is completed and some is in the works. You set a goal of 2% right at the end of the budget cycle last year that we are working hard to achieve. This is a look at the kind of data we are getting out of our energy management system. If you recall from the last slide, we put a lot of effort last year into building this new system, which is to say previously we had financial accounting of our energy costs. We get an aggregate dump of data from KIUC every year that shows us basically how many kilowatt hours we used. It is very difficult to discern in more specific detail without this system in place. This is a cloud based system, we get a fee from KIUC every month, which is not completely automated but currently this system is running and we are still tuning this up and getting it to total accuracy. We are not satisfied with the degree of accuracy that we have out of it right now. It is about 1.5% off from the actual data and we have done the comparisons. So I am going to get to the actual data later, but the important thing that you are seeing here this is the kind of graphics that we want to present across the County for individual accounts. Other things that you can see quickly, a seasonal swing for all accounts. You see a really big higher usage in the summer months driven by air conditioning. We are happy with the movement that we have taken, but we know that we have to do a lot more and leverage the tool and get it out to more County employees which is an objective we have for this year. One thing you will notice and I did not highlight we are candidly saying that we did not get there at all from our goal from last year, 2% reduction in cost and we have 3% increase in use and we are trying to be very plain about that and we are going to talk about why that happened and what we intend to do about it. It was not due to weather and that is what this slide is primarily about. These have figures normalized for weather and that 2012 was slightly hotter than 2014 and we cannot blame it on the weather for the additional usage. It was not because the price of energy went up because the price of energy actually went down. This is an indicator and it is a rollup cost for all of our utility costs and does not include Water and Wastewater as noted on the slide. It is higher for that reason, but there are a lot of accounts like the Civil Defense meters and things like that, do not have any energy use. We just pay a fixed charge and that drives the unit costs up. Also we have numerous accounts that have quite high demand charges that we will cover as well. But those things contribute. This is not what you are normally looking at to say what is KIUC charging for kilowatt hours. This is all-in cost including all services divided by the usage. So here is what happened. We used a little over 400,000 kilowatt hours more year to date than last year. Here is what is driving that. In Wastewater we have a new facility as you are all very aware of. Year over year in total, that facility will ultimately account for 240,000 kWH a year difference from the old plant. Year to date, I am showing 54,000 and the reason for that difference because this plant has been starting up and crossed over the fiscal and there were anomalies and there is higher use in the transition due to some of the process at the plant. At Kaana Street we made needed improvements with Police in IT equipment and it came with a price and it had to be cooled. We added a split AC unit that runs 24/7 and that added some use there. Waimea Police Substation, you are all very aware of and it just opened up. New facility and more

service, and more electricity use. Līhu'e Civic Center, although the Fire Admin space was moved two years ago in the previous fiscal...the density in terms of occupancy in that space has increased and therefore the use has as well. That is part of the change there. We are still tracking where the rest of the change came from. We do not have that high a resolution on the facilities yet and it is hard to know exactly where these increases came from. We are very interested to find out where it came from. At the Water Department, we have very little resolution as to what is happening there. This is just an account of the additional usage they have to-date. We felt this was important noting that the other data that I presented earlier showed...has some inaccuracies and we talked about that in terms of the methodology in the billing and inaccuracies in that. We created this chart from the raw data. This is as good as we can get direct from KIUC. There is always the possibility of errors in data and it is almost inevitable, but we feel the margin of error is smaller. You are seeing 3.2% increase and you can see various Departments and how much the increase, Water with quite a large increase, Wastewater, all the way down. Notably, Police in this slide includes the Kaana Street facility. As you all know well that is not just Police using that energy. That is the Prosecutor's Office and Civil Defense and that is a very high use facility that we are keyed into and I wanted to footnote that because I think everyone is very aware and we are working hard to reduce energy profiles at that facility, but it is noted as part of their account. I will proceed. One of the things that Council Chair was very specific in asking for was some comparisons and some data like this and I hope this satisfies that desire. We could certainly get into more detail, but these slides have showed where we should be focused on. These are the top ten accounts by use. The Wastewater Plants used a lot. Kaana Street and the Civic Center use a whole lot. You start getting into water wells and other things. That third one is actually a higher use than the first one which may be odd to people. We are saying that this is actually a higher kilowatt usage facility at the Līhu'e Wastewater Treatment Plant, but the reason is because Wastewater Treatment Plants in general have relatively low demand charges. So you see where those kinds of things impact the bills. If I go to the next slide, which is about demand charges you get more insight into that. So this is a very similar slide to the last one except it is organized by highest bill demand in the last 12-month period and so you are looking at the facilities in order of demand charges. Most of these are schedule P facilities which is the basically the large user rate from KIUC, which offers...which comes with a demand charge of \$11.14 times the kilowatt hours per month. So there is some substantial cost just related to demand, especially into the smaller facilities it becomes a much bigger piece of the bill and something that we are paying attention to more and more. One of the nice things about the new system we are able to track the data and we are anticipate some projects that will hopefully move to address that. So we have covered it. We came to you and...

Chair Furfaro: Excuse me, Ben, could you go back a slide?

Mr. Sullivan: Sure.

Chair Furfaro: And revisit the \$11.14 by kilowatt again.

Mr. Sullivan: The demand charges in the schedule P rate and actually, I have the rate schedules here in my book. My recollection it is slightly over \$11 per kilowatt per month. For example, at Rice Street we pay 446 times 11 per month, just in the demand charges and the balance is kilowatt hour charges and what not.

Mr. Rapozo: And that is different for each facility?

Mr. Sullivan: That demand charge is different for each rate. So these facilities all have different peak demands obviously.

Mr. Rapozo: I got it now.

Mr. Sullivan: But most these are schedule P facilities.

Mr. Rapozo: Thank you.

Chair Furfaro: We are good now.

Mr. Sullivan: So here we are. We are...I will say I am very disappointed we did not meet the target and I will take most of the responsibility because was my job to make it happen across the County. We do have a lot of work to do and we believe that your target reduction was reasonable. We also believe that it really helped to drive system change. So we have done a lot of work towards that, but obviously I am not here to sit here and show you the positive results that we would like to improve on dramatically.

Chair Furfaro: One moment, Ben, Mr. Hooser.

Mr. Hooser: Just a quick question. The 2% reduction, if you back out all of the new use, were we better? Let us say this building or the Piikoi Building? When I look at 2% reduction, kind of looking at people using 2% less, minus the new buildings, do you follow what I am saying?

Mr. Sullivan: I do. It is interesting. Because we would have lucked into it is what I would say, if all the new use was not there. Basically what would have happened, we had the same amount of use and electricity was 2% less, so we would have delivered a 2% cost reduction without the added facilities, but that was not the case. Setting goals we are looking at growth and we do not just look at it from the standpoint of how much we use.

Chair Furfaro: Thank you for quoting me in the 2% goal, but it is not going to change for next year. I want you to know that when we sat and talked with the Bus Transportation Department and so forth, they are all part of the Green Team, but they have no measurement skills. They do not know what their goal is clearly. So I think we are going to set one now. That is going to probably be the same thing and the, in fact, that we are comparing apples-to-apples, we should have taken those five items that Mr. Hooser just pointed out, those new plants and compared that and you said with that, it was probably a walk-in, we probably got it. But the new guys are coming online have to buy into it too. Really have to buy into it. JoAnn.

Ms. Yukimura: If you take out the growth, the new facilities, you say we could have had a 2% decrease in costs, but that was due to the lower cost of energy not due to the lower kilowatt usage.

Mr. Sullivan: Correct. Our kilowatt usage would have been...

Ms. Yukimura: And our goal has to be kilowatt usage. Okay.
Thank you.

Mr. Sullivan:

May I proceed?

Chair Furfaro: Yes. I want you to know that I will be sending over 196,000 kilowatt hour savings is 2% and that is what I hope we get to.

Mr. Sullivan: Thank you, sir. The last bullet here I think is something that due to this process, it really jumped out at us which is really seeing the data better. Awareness and conservation behavior is very important, no doubt. But the biggest thing that we are lacking right now is looking forward in terms of projecting capital additions and understanding what those do to our energy budget and that is something we are grappling with and will learn how to incorporate. Key lessons learned...I do not know if you had a chance to review these ahead of time but I will read through them quickly. We have got to have a way to anticipate those changes and build those into what we expect our energy budget to be. It is not going to be easy because it is a lot of projects, but we will do it. We have to better integrate and imbed energy planning into our annual processes and the Departments are coming forward and again, I wish we had more results, but they are coming forward and there is a lot more activity and conversation from our Office to other Departments and back and forth about what we can do and how we can save? It is a very important primary mission. We have got to make it easier for them to do it and if that means finding tools that are more user-friendly and training to say here is the data and here what is happening, but it is keep that we have that relationship. Because obviously our small Office cannot do so it is a symbiotic thing that we all move forward in a positive way. Fourth, this is not related so much to internal energy use, but back to the conference and other things. We really recognize clearly that we need to...at some point fairly soon refocus some energy on the island wide issues which are critical. We have been working very hard internally and we are pursuing additional partnerships and opportunities in order to figure out how to do that and raise our volume on the island wide efforts. The KESP has been sitting a little longer than it should.

Ms. Yukimura:

Say what KESP is.

Mr. Sullivan: The Kaua'i Energy Sustainability Plan. Some good people have done some good work with that. There are some ideas and a lot of things have already happened but we need to keep it going.

Here are things in the pipeline. I think you have all participated in the planning at one level or another for most of these. The LED street light project led by KIUC and we are happy to be working with them and we expect a significant amount of energy savings. Obviously some of that cost-savings goes back to the capital costs and we will have a better idea on that fairly soon. We do not know exactly where that will land. It is an involved process that involves a new tariff at the PUC after which they will proceed with the project. We are expecting that the tariff will be established and developed in the next fiscal and in the following year, the installation will happen. The next one is the project that Ed and his team have been working on for a while, a major repair on 'Ele'ele Wastewater Treatment Plant, substantial energy savings there. Those guys have done a great job and I think NTP is coming up any day. So work will start very soon and be completed in the next fiscal. Civic Center, obviously, we attached ourselves to the efforts ongoing at Piikoi and I think we talked about this within our CIP review. But basically we are going to try to optimize the system with a full analysis and drive down energy costs. Part of what we do not know yet is exactly what is being added and how much that is going to contribute again going forward.

That goes back to our conversation that we had earlier about how we integrate improvements and anticipated additions into our energy budgeting and we will have to do that for that facility in particular. Kaana Street there are no major additions other than what we have seen recently and we are looking at savings that we expect from the work that the University of Hawai'i is doing, Hawai'i Natural Energy Institute and actually we are meeting with some people out there on Thursday and then they are going to be in full force in about a month and reporting and come back to us with recommendations. Some of these projects will have no cost-savings, especially the bottom two. Some of these will require some capital, too. So the depth of savings will depend on how much capital we put into the projects and we will have a better idea of that once the reports come back.

Chair Furfaro: May I say, if I just said 2% is 196,000 kilowatt and the first two projects 1.2 million kilowatts we should be able to realize those savings with those two projects coming online.

Mr. Sullivan: Whether those occur in the next two fiscals, because the construction will likely start next fiscal.

Chair Furfaro: We have got to set some standards. I like the way you laid this out on kilowatt hours because the total mission there is almost 2 million kilowatt hours to be managing. Thank you.

Mr. Sullivan: Thank you. So this is trying to give you some insight into what we are planning in regards to Departmental energy savings. We have the skeletons of very solid plans for the major energy users. Police have really stepped up and Assistant Chief Contrades and Parks and Fire, everybody is eager and ready to find the means to save energy. As our communication gets better and as we train these guys on how to use these evolving tools we will expect that we are going to see savings. One thing to note at the bottom is this is again a two-way street. We cannot possibly track all the projects, but we are bringing them on working together and finding energy savings. In some cases possibly find funding, that is not always going to be the case, but if we know what they are doing, they will open up.

Chair Furfaro: We have finished with Parks and Parks has hired a consultant to design a template for all future public bathhouses and I would like to make sure that you folks are on board with part of that team, because they are saying that is the template to use in all our future parks.

Mr. Sullivan: Thank you, sir. Here are a couple of programs that we would like to get more traction on in the coming years. We just developed these and we tested them in one or two Departments but we did not get them out broadly enough this year due to the limitation on time and resources. But we are working hard to figure out how to get them across all Departments. You go to an office meeting and talk to the occupants about how much are we paying at the County? Give them some awareness about how much the Civic Center or Police Facility is using on a monthly basis, which I think is a helpful metric for people working every day to have. Also just talk about human comfort issues and that is not always known and having this information and awareness is helpful and also slight modifications that we can make outside of major improvements. Simple things like moving people from one part of the office to another or getting them a fan to get them more comfortable and get a slightly higher average temperature in the office. De-lamping is another program we have done this in our office and several other Departments

that are getting in there, Transportation is one, Housing is another that we are overdue in getting to them in helping them do this. Basically the idea is that many, many buildings are designed with a high level of lighting prior to computers. So in many cases you can reduce the amount of light and save energy and we intend to do that. This goes outside of the energy management function and more into project-specifics. That opening slide we reviewed from the conference actually one of the things that took place at that event is Mayor and David Bissell signed a memorandum of understanding between the County and KIUC that really opened the door to say what everybody understands, I think intuitively. It is a cooperative and a real opportunity for us to work hand in hand and signed the MOU and identified potential projects to collaborate on. One of the first was the street lights that are moving forward and there are others as well. We are excited about that. The next item is solar hot water, always important. We expect an opportunity to really leverage the installation of solar water systems in collaboration with KIUC and other partners in the next year, and that has everything to do with the financing program that should be out sometime...looks like late-summer is the target date. Electric vehicle is a major part of the strategy, although usage has been low at the chargers and across the island. There are good examples where this has taken off. Maui County has done an amazing job in terms of programs that actually build the uptake of electric vehicles and we would like to follow in their footsteps. We also did some renovations, took an opportunity when Building Division was renovating the parking lots to reconfigure the chargers, so that they are much more useful and Doug in Buildings Division did a great job because we fit in at the tail-end and they made sure it happened. So they are much more accessible and we can have a larger electric vehicle fleet supported by the same amount of chargers and we are happy about that. This one really keeps us in touch with things that are happening and trends that we need to pay attention to. So we wanted to mention that and I think you are all aware of that, but we are happy to answer questions on that as well. We talked a little bit about that in CIP, and I am not going to spend a lot of time, unless there are specific questions, but we are very excited about the possibility of using the methane and we are just approaching it to award for professional services to get the feasibility study underway. That feasibility study will include utilization of the landfill gas, as well as this next slide, which is possible utilization of the existing anaerobic digesters at the Līhu'e plant. These are both projects in the early stages, but Mayor has said let us look at it and study what the opportunity is. Again this relates to our strategy, which is to say the County of Kaua'i should participate in renewable energy projects where we either control the resource or closely related to the resolution. We are looking at these as resources that we control, the Wastewater plant and Solid Waste stream and landfill and what we can do to maximize energy production and deliver other value for the County? So I do not know...I am going to keep going, but you are certainly welcome to ask questions there. I believe there were questions from the Council requesting information about our current PV systems. What you see at the top of the graph to the left is both of these graphs are for the system on top of the Piikoi Building. The graph on the left, I believe is...that is one month. So those are weeks that you see. Basically the PV production is down at the bottom and there is grid demand versus overall building demand. I think the highest is the building demand and grid demand is slightly lower. When you look at that in higher resolution, you start to see that system is actually pretty well sized. What you look at on the right is a weekend. During the week, the load, the production of the PV system is all within our own load and concurrent to our own load. On the weekend it just barely breaks out of that. So we saw a little bit back to the grid, but not too much. If you do, the economic value to the system comes down. We are referring to the Waimea Treatment Plant system here. We do not have...there is an online tool, I just do not have access yet. We are working on that. This is an estimated value. This is to say that this is a really exciting development that we owe a lot of thanks to KIUC. This is what

they call their KIUC My Meter application. They will roll this out publicly soon, but they have given us access to it to get used to it and we will be deploying and training Departments this summer. Basically this is quite candidly a big answer to some of my challenges as the Energy Manager for the County. One of the things that I did not mention earlier is a real challenge about our data system and getting action out of it, especially from a conservation standpoint, there is about a two-month lag on the data and it is really low resolution. So all we have is how much you used in a month and we do not know that until two months later. So it is sometimes difficult to get action out of that. This is up to 15-minute intervals and only a couple days old. It has a feature to flag percentages that people can be aware about overages and we believe this would be a really valuable tool. We are already looking at our own internal energy management system in trying to figure out a way to take the data off the internet and be able to do more analyses with it because we see the value. That is something that we are also going to be focused on in the coming fiscal year and we are already made some purchases from vendors on software applications to do that.

Mr. Rapozo: Can we go back?

Mr. Sullivan: Please.

Mr. Rapozo: If you could just explain that chart? I know on the left is kilowatts and right is temperature and bottom is date.

Mr. Sullivan: Sure. What we have there, this is actually the Waimea Wastewater Treatment Plant and that is fairly recent data...April. So this was just a couple of weeks ago. The green line is outside temperature. The blue is the demand 90 kilowatt hours and what you see the big gaps that is every day when the PV system comes on, knocking out that much energy use. At the bottom of the chart, you see that darker blue where we are selling back to the grid. Again, kudos to Ed and to the team that worked on this project. That is a well-sized system. You can never get perfect it is right in the appropriate threshold.

Chair Furfaro: Do we know the value of what we sold back to the grid?

Mr. Sullivan: Well, we are selling back very little to the grid and I do not have that data, because it comes aggregated and I do not have a way to disaggregate it. I could pull it out of my meter, but the big number in terms of savings is the stuff that we are not buying because that is coming at \$0.40, versus what we are selling at \$0.20.

Chair Furfaro: Understood.

Mr. Sullivan: This is just an overview of the goals that we already talked about. So I think we have talked about pretty much everything on here. We want to reduce by 3% a year. That is what we want to do and that is the target we are setting. It is not fun to be in front of you and saying that in a year where we actually increased by 3%, but we cannot change our goal because we did not meet this. That is what you are going to do. Strengthening the Departmental energy planning program and street light replacement. We did not talk about the motor pool which is another way to drive

down fossil fuel use and continue to engage in Statewide efforts and others. That is what we have and happy to take questions.

Chair Furfaro: Very nice presentation. Questions, I will recognize anyone first here while I walk back. Mr. Rapozo, you have the floor.

Mr. Rapozo: Thank you. And thank you, Ben.

Mr. Sullivan: Thank you, sir.

Mr. Rapozo: To be honest, I was not looking forward to an hour of energy presentation, but I was really glad I was here, because it was a great presentation and very easy to understand and I appreciate that. I want to...because you talked about the anaerobic digestion at the Wastewater Treatment Plant and I think your final statement or sentence was we continue to look for ways to reduce or to find energy from elsewhere. I am going to bring it up, but it is not your Department, Solid Waste, I know to some people it is not a good word, but I think that is a real potential solution for this County. Where we could drop significant energy costs by producing our own. I say "waste to energy," it would be whatever technology is out there. Is that a fair statement?

Mr. Sullivan: I mean the waste stream should be looked at as a resource. I think anaerobic digestion is similar and the advantage that we have a lot of infrastructure in the ground and it does not have the same high-capital cost and food waste is a big part of the waste stream. So we can gain energy the same way without combustion and there will be capital improvements, but they are not as exorbitant as otherwise.

Mr. Rapozo: I am not advocating any particular technology, but I want to make sure that we understand the potential value of taking our waste, whether it is food or solid waste, and converting it to some sort of energy that we can at least reduce our dependence on the KIUC grid.

Mr. Sullivan: Yes. Thank you.

Mr. Rapozo: No, thank you. Thank you again. I really enjoyed the presentation.

Chair Furfaro: JoAnn.

Ms. Yukimura: Yes, Ben, thank you. It was a very good presentation. Exciting to get to this level where we are actually able to measure. So thank you for that. This issue of adding activities and facilities that contribute to an increase in energy use, could we not solve that by requiring net-zero buildings and activities?

Mr. Sullivan: That would certainly be one way to solve it. Obviously, there is a discussion there about the capital costs and trade-offs, but the California Building Code is going to require net-zero building codes by 2020, a very aggressive move. We need to do something. We need to plan and anticipate when we add facilities how we are going to address the additional energy costs.

Ms. Yukimura: To set some standard for energy usage, if it is not net-zero, then it is only plus whatever, and I do not know how to do that. But would begin

to turn off the faucet, so to speak, so then you could concentrate on reducing use of existing buildings and activities.

Mr. Sullivan: Right.

Ms. Yukimura: So I would urge the energy...whoever is looking at all of this to look at procurement in terms of new buildings. It is all in the design, well maybe not all, but at the point of designing new facilities, it is very much in the design. I do not know that we are using that opportunity well. So I hope people understand what "net-zero" means, it means that you are creating buildings that use net-zero energy basically.

Mr. Sullivan: One of the things that is fascinating to me, because we have a cooperative, really, what we want to is have net-zero for the island, but whether had a makes sense at an individual facility level...so I agree with you. I am just trying to add to the conversation and try to understand better what you are getting at.

Ms. Yukimura: I know that net-zero buildings will help us solve this problem of never achieving on or before goal, because if we are just adding on new uses and facilities and we are a growing community that forget the 2% increase a year.

Mr. Sullivan: Right.

Ms. Yukimura: You know, it is just like our multimodal plan, we are talking about growing as a community, but keeping our vehicle miles traveled stable, not growing. That requires extraordinary effort, but that is what sustainability is all about. So if we are about sustainability, then we have to take on these challenges. So I am giving you the challenge, and asking you, I think the procurement-level, even if we do not go directly to net-zero, if we start and Parks is doing that. Looking at...I mean what is a net-zero energy restroom? You know, if you start small. They are saying in Kekaha, during the hot Kekaha day you could be net-zero. At night, then it changes, but when we get batteries eventually, maybe we can get there. Maybe we can go on to someone else and I can get back to my questions later.

Chair Furfaro: Okay. We have 14 minutes left of his time. I have a few questions. Ben, we are targeting a reduction, but what is in the budget now to me, your 3% is interesting. It is obtainable, but yet it has got some reach. I want to look at this and say, what is attainable to me is at least the 2%. All of this talk about the kilowatt, the rates going up and so forth, it is a falsehood. I mean, dropped 1/10th of one penny, the fact of the matter I have got to measure some dollars from that. So I am going to go with 2% as a goal. I will be submitting my comments on Friday to the members. I did not hear a couple of items that I would like to get close to and that is for our chill water plants, you know, I would still like to find out where are we going to be, do you think, with setting some of those temperatures and so forth? That is the acceptable level, but it is also going to give us some measurable results? I cannot help when I look at the Police Department, and Civil Defense, they were the higher of the averages, and I do think it is connected to their AC system and not fully utilizing the Trane systems that are there in managing the process. The other one, I have to tell you, that I am very, very anxious to get a target that we can do something with the landfill as far as recovery. Because here is the picture everybody needs know as I said, I think yesterday, in 2010, the contribution from the General Fund to the operation of Solid Waste was \$7.9 million and costs us to operate \$12.1 million. With the

changes that we have had in Solid Waste is a \$200,000 change of money from the General Fund, but the difference is \$3.6 million in costs for Solid Waste. There seems to be a resource there that could change that picture for us. We have made a very small dent in how much we are transferring from the General Fund to pay for Solid Waste. The additional increases have all been related to having to equally challenge ourselves with some fees. But there is money there that could change that picture for the General Fund. So between chill water and this particular, these are really big pieces. Then what about our solar initiatives that we have started? Is there bigger opportunity on the horizon? Is there more out there for us to be doing?

Mr. Sullivan: We could definitely do more solar and that is an important discussion to have. There are a couple of significant liabilities that we have to be careful of in my view and certainly there are other views. You know, one of them is that the rate paid for surplus energy is going down and that is already in the works. That is at the PUC right now. To what extent it goes down is dependent on what the PUC rules on that, but that is being looked at. But the overarching issue, even when we save \$0.40, that money is going from one pocket into another. That is not actual system savings because obviously KIUC like us can buy PV and there is only so much we can put on the question and really the Mayor has said collaborate and we have even had conversations about making County land available. Just very preliminary conversations could this work kind of thing? So we have not introduced anything yet. We are really working hard on the Mayor's direction so everybody wins and there is collaboration. We have not hit it out of the park in figuring out exactly what those were.

Chair Furfaro: I did not realize at the \$0.20 there is talk about it going down even more. Those were the three big parts I was looking at, AC, chill water costs, the landfill opportunities, and maybe looking at other photovoltaic.

Mr. Sullivan: If I may respond? The chill water you are absolutely right and we have heard that from you before and we are going to act on it. You have been unequivocal on it, and projects are in the pipeline. As discussed a report back is due and we will be able to hopefully report positive on changes.

Chair Furfaro: Quite frankly, I think your presentation showing Police at being 8% higher, I am sure I am convinced it is probably related to some of those costs. JoAnn.

Ms. Yukimura: Thank you. On slide 2, if we can put on slide 2, please? You have Kekaha methane, etc...I would like to know how much fossil fuel use we are going to be replacing with those projects?

Mr. Sullivan: Sure. I do not off the top of my head recall the conversions.

Chair Furfaro: We can send it as a follow-up.

Mr. Sullivan: Kekaha Landfill we can clarify now that the total resource if it is all utilized would obviously be optimal about 800,000 diesel gallon equivalent. That is a baseline and spikes over the production curve. It is not typical that you could use it all, because it does not work that way.

Ms. Yukimura: Still, 800,000 gallons of diesel equivalence per year?

Mr. Sullivan: Yes.

Ms. Yukimura: What is the County's diesel usage annually?

Mr. Sullivan: Far less.

Ms. Yukimura: So for how many years average? For 20 years?

Mr. Sullivan: 15-20 years and depends on closure date and composition.

Ms. Yukimura: The study that is being done should get us more accurate figures on that?

Mr. Sullivan: Yes, very much.

Ms. Yukimura: I have said before, that will dovetail with our multimodal transportation plan, because it is been pointed out that 30% of the bus' budget is fuel costs. If that doubles, we are in big trouble. And it will double over time, if we stay on fossil fuel.

Mr. Sullivan: That was one of the primary reasons, if I recall why Mayor green lighted for us to proceed in that direction to talk about the bus as a resource.

Ms. Yukimura: It is really a great project. So if you could get us for all the projects how much fossil fuel replacement we will be doing? That will be a very useful figure and you also said that the Mayor said we are to reduce our energy use by 30% in how many years?

Mr. Sullivan: Ten years.

Ms. Yukimura: Okay. That is a Holo Holo project goal? I would like to see it stated out there, so we all know what we are aiming for. It is not articulated anywhere here. So I just wanted to be clear, but I love those goals. What is the trend of the island's fossil fuel use, not just internal County, but island wide usage? I am hoping that those are some of the indicators we will start tracking.

Mr. Sullivan: We certainly can, and I think last time we discussed this individually, we gave you some data from DBEDT, but I did not include that in the presentation. My apologies. So we can send that information over to the whole Council, if you would like.

Ms. Yukimura: Maybe it was with Glenn's presentation, I asked about some sustainability indicators and maybe then that was for next year. I did not need it for this year, but use the years' time to identify, even five indicators that are already measured, hopefully. That might be one of them.

Mr. Sullivan: Okay.

Ms. Yukimura: Thank you. I did not get to look at it. This report has nothing about County's liquid fuel usage.

Mr. Sullivan: You are correct. I would say the three areas that we are focused on the motor pool is going to in part about accounting for our vehicle use more closely. There is a potential for slight reduction there. The biggest piece is the landfill gas and that is a bigger discussion to have at a later date once the study shows more information.

Ms. Yukimura: Perhaps next year you will have more data to share with us.

Mr. Sullivan: Okay.

Ms. Yukimura: I want to commend you for the motor pool idea that has been a team effort and looks like we will be getting a lot of benefits out of that. Fuel use, maintenance, purchases, that is great. Then in your slide 8, top-ten facilities by use for some reason I was wanting to know the kilowatt usage from year-to-year? So Fiscal Year 2013 and Fiscal Year 2014 comparisons?

Mr. Sullivan: Okay.

Ms. Yukimura: To see what the trends are, up or down on these large users.

Mr. Sullivan: So you are saying maybe similar to what we had...like similar to this?

Ms. Yukimura: Right. And maybe that is it.

Mr. Sullivan: It does not break it down by the facility, but just breaks it down by Department.

Ms. Yukimura: If you stay there for a moment, you are showing that there is much more change from kilowatts then from cost and that is because of the counter dynamics of increased use, but decreasing per unit costs, right?

Mr. Sullivan: Per unit costs came down a cent.

Ms. Yukimura: That may not be the projection for this coming year.

Mr. Sullivan: Correct. It is always a liability. With the good work that KIUC is doing they are really stalling the inflation and energy costs with a lot of their projects.

Ms. Yukimura: By shifting to renewables?

Mr. Sullivan: Yes.

Ms. Yukimura: Right.

Chair Furfaro: While we are on the slide, can I just ask, here is that slide I was referencing, the 8.7%. When you identify Police, we would be identifying the building, which is Prosecutor, Police, and Civil Defense.

Mr. Sullivan: The lion's share of that is that facility?

Chair Furfaro: Yes.

Mr. Sullivan: That includes all other Police facilities as well which are maybe another 15% of that figure.

Chair Furfaro: Got it. I did not take that into consideration. Thank you.

Ms. Sullivan: You know, this is actually for Keith Suga and Ernie, but that proposed Police substation in Kapa'a, the drawings that I saw were frightening in terms of energy use. Because it was going to be built for a 20-30-40-50-year period and only use a small portion of it to begin with, but it felt like the whole building was going to be air-conditioned. So those kinds of issues and we were just talking about KCC and how the Performing Arts Center was tied to the whole campus. I am told it is now fixed. But you had to turn on the whole campus system to have the energy usage in the Performing Arts. These kinds of design issues are horrendous in terms of costs and energy use. So hopefully we are guarding against that in any new facilities that we are going to be designing and building.

Mr. Sullivan: I appreciate that comment.

Chair Furfaro: We are close to running out of time, JoAnn.

Ms. Yukimura: Last one, there was a controversial horizontal drill project for the Water Department. The Department of Water energy costs are among the highest, between sewage treatment plants and potable water pumps that is one of our biggest oil-energy users. That project, if it was gravity-flow was going to cut our energy costs tremendously. So I just want your Department to do the analyses to understand what values may come out of that in terms of a sustainable future for this island. There are all of the other issues that have to be fully analyzed, too. But certainly from the energy standpoint, we need to know and understand it. Thank you.

Chair Furfaro: I will give the floor to Mr. Hooser.

Mr. Hooser: Just to follow-up, I was not clear on the last request. Whether you can provide an analysis of the horizontal drilling project in terms of energy?

Mr. Sullivan: My understanding is that there was some feasibility done and that actually did show the energy savings. So I am not sure exactly what we could provide in addition to that, but whatever you want to send over, obviously we will evaluate and provide a response. I do not have more than that.

Mr. Hooser: Okay. That is what I was just wondering if it is within your scope of work. It sounds like a lot of work for a project that is not going anywhere.

Mr. Sullivan: If you send us over some specific questions about the project, we will do our best to answer them. That is the best I can offer.

Chair Furfaro: We will ask JoAnn to summarize her questions and send them over. Mr. Hooser is correct at this point, it is only an ad hoc division of the County, but we believe that project is put on hold. I will be very honest with you, which also leads me to another question about the money we co-signed for CIP money. If it is not a live project, what might be our responsibility to have other ways to use that money? And that money might be used on energy projects. So we will leave it at that for right now. Ben, George. Thank you for a very interesting presentation. I think one of my expectations is going to be, 196,000 kilowatt savings at \$0.48. That will be a line item in my interest.

Mr. Costa: Thank you, Chair. I want to acknowledge Ben, because alongside Ben, Melissia Sugai is charged with the leg work of going into each Department and training them, so that we can delegate the responsibility to each Department to track their own energy use. Thank you to Ben. At this time I would like to call up Kaeo Bradford, who is going to present the Workforce Investment Act portion.

Chair Furfaro: George I allocated half an hour for you on this. Welcome.

KAEO BRADFORD, Workforce Investment Act Administrator: Aloha, Chair Furfaro, Councilman Rapozo, Councilman Hooser and Councilwoman Yukimura. For the record, I am the Workforce Investment Act Administrator, Kaeo Bradford. We put up the picture of the Workforce Development State Employment Division staff that is getting ready for a job fair and we wanted you to get an idea of who those people are. Anyway, from the first time I came here to do a presentation last year, I do not think anybody really knew anything about the WIA. So that is why I brought my folder to the Council last time I was here. So you could review it beforehand. What I wanted to do was talk about the different principles. So the Workforce Investment Act was passed in 1998 by President Clinton and was mandated into law to help with local areas strategic redevelopment and improvement of local workforce systems. The WIA is basically designed to increase employment, retention, earnings of participants, increase occupational skill attainment, and reduce welfare dependency and enhance the productivity and competitiveness of the area. The seven WIA principles that involves the collaborative work on the island which is streamlining services, empowering our individuals in universal access. Through our Hire Net Hawai'i System people can access employment throughout the State, not just Kaua'i and of course from the mainland. Increase the accountability, strong role for our local Workforce Investment Board and State and local flexibility and improved youth services on the island. Again, I am Kaeo. This is the first time...not really the first time, but the second time I am presenting the WIA program. It has been around, like I said from 1998. So our Workforce Investment Board that started back in 1998 has gone through a lot of different challenges. We offer a lot of education and training opportunities for people in the community and the value of investment for our community continues to grow. So the KWIB, our board is made up of approximately 30 authorized people that make local decisions regarding workforce development strategies, the policies of the Workforce

Investment Act. These members include representatives of business, local educational entities, labor organizations, community-based organizations, economic development agencies, and representatives of each of the one-stop partners, which is the Workwise Kaua'i Americans Job Center. So we have a variety of companies in workforce development, Alu Like, John Latkiewicz, Michael Machado from ILWU, Sean Mahoney, Lance JYO the Community School for Adults, Kevin Mince, Rural Development, Lisa Nakamura the UI Office, Sandy Poehnelt, Layne Shigeta, DVR, Kamika Smith, Lisa Ubay, Nathan Wood, Mia Ako, Kelly Robinson from the DHS Office, and of course Diane Zachary. Under the direction of Leialoha Sanchez, our Youth Council Committee. They are very progressive. They are charged with the responsibility of developing portions of the local plan related to the youth. They also recommend the providers of youth activities to be competitively awarded contracts by the local WIBS and they are also responsible for overseeing all youth activities. These are your Youth Council Committee members who are very, very active and we have a student representative from Kaua'i High School, Keola Data. These are the goals, objectives, and accomplishments. What I am tasked to do is to continue monitoring and reporting all activities that have to do with the WIA. I also have to report to the Workforce Development Council, which is a State entity with part of the Department of Labor and Industrial Relations. We have to commit to funding for at least one person or board member to attend the National Association of Workforce Boards Conference held in Washington, D.C. and the other objective and goal is to look for other grant opportunities for education, training, and career development for the Kaua'i community. We also have a lot of veterans that we service on the island and this is constant every week we make an effort...they have 100% priority when they walk in the doors for any kind of assistance. You know, job-finding. How to do resumes? If they want training or education, maybe extended training with certification. Those things are done, like I said on a continual basis. Continuous basis. Other services for veterans can come in and ask for assistance from the various programs. We also handle all the job fairs and the last one we had we hosted 60 participating employers at the Convention Center with over 600 plus job-seekers come in the doors that day. We had several job fairs, Heroes for Hire Veterans Job Fair, The Energy Team LLC – Biomass Plant job fair that was held at KCC, and just recently the Kukui Grove Shopping Center had over 100 jobs available, including newcomers to the scene, Sports Authority and Pier 1 Imports and later on there is another one coming, I think it is Ross. So the current employment statistics for the island are with our census, the unemployment rate this past quarter 5.3%, compared to 5.8% in 2013 and total average employees in the island is currently 28,100. Accommodation and food services account for 26.2% of the workforce, public administration is 15.5%. Retail is 13.3% of the workforce right now. This graph that you see is one that comes from the Department of Labor, State Department of Labor and they showed that Kaua'i as of March 2014 is at 5.3%. As compared to last year, which was 5.8%. However, I wanted to mention that anywhere on the island, this is just an average figure, but any place on the island you can go to the West side, the rural sides, the North Shore, and the unemployment rate can be as high as 7%.

Chair Furfaro: Excuse me, question? I see three people that are still in the Workforce Investment Board when I was on the Board. One of the big parts was as our indicators drop for unemployment, so does compensation from the Federal government?

Ms. Bradford:

Yes.

Chair Furfaro: I have not seen that in your presentation. So what kind of moneys are we getting from the Federal government right now?

Mr. Costa: It is coming up.

Chair Furfaro: I am sorry, I spoke ahead of myself.

Ms. Bradford: So these are measures, statistics for what we are doing, because we have to report to the Federal government. They give us common measures to follow. If you look on this slide, the far left are the goals and measures that they gave us to follow. And it is a little bit different from the previous years, because they changed the goals for what they were looking for. What they did, they combined both the youth and the older youth...the younger and older youth. So it is a little bit different. If you look at the second column on the left, next to the goal, you are going to see the measures for just this part quarter, which is not too bad. It is pretty good, if you look at it. It is pretty much meaning in that 100% range, 90% range. So we are getting there. I suspect that we are going to have really good results by the end of this year. Other statistics that we get is compiled by the DOL and sent to our statistical office on what is happening on Kaua'i. Because they have electronic printouts of everything that comes out and what is done at our Workforce Development Division, Workwise Kaua'i. These are the different services that we have available. The top total, 12,484 types of services that were distributed just for one year and you can go down the whole list.

Chair Furfaro: Kaeo, I want to share with you, this is slide...looks like 38 or 40 of what is almost 70 slides and we are coming inside of 12 minutes before our time is *pau*.

Mr. Costa: She just has three or four more slides and then it is my turn.

Ms. Bradford: So the one that I had left, the last one...last time you asked about funding. This is basically what is given to us by the Federal government. You see the Federal funds have gone down since Fiscal Year 2010 and we suspect it will go away completely pretty soon.

Chair Furfaro: What percentage of unemployment will make it go away?

Ms. Bradford: What percentage of unemployment?

Chair Furfaro: If we get down to 4.2%, are we expecting that we will get no money from the Federal government?

Ms. Bradford: Negotiating with the DOL Office...the State of Hawai'i is negotiating right now to take over all of the funding that all of the Counties have.

Chair Furfaro: So the State is going after all of it?

Ms. Bradford: They are going to take care of everything.

Chair Furfaro: That is so unlike the State. Oh, my gosh.

Mr. Costa: One of the things that just recently happened was in 2009 during the recession, the State office laid-off quite a few employees. And now they are wanting to basically take the funds allocated to the neighbor islands and their claim is that they are going to rehire the staff on Oahu and then run the program out of Oahu. But our concerns and we have shared this with Dwight Takamine, the Director of the Department of Labor that the type of services, one individual like Kaeo provides on-island, we do not understand how that would be duplicated from somebody in Honolulu.

Chair Furfaro: George, my comment was sarcasm. Half a million dollars that the State wants to take and the services get very centralized and we are not right in the community.

Ms. Bradford: Yes.

Chair Furfaro: Okay.

Ms. Bradford: That was our point that we made to the DLIR Office and Dwight Takamine. The challenges are that the WIA funds are diminishing and it is hard to function with the limitations on that. While collaboration...active collaboration with the State Workforce Development Council and other entities is essential to secure additional funds for County Workforce Development activities, each potential grant application requires significant staff time to research and compile meaningful support data and whether the grant is actually pursued or not? It is a big challenge. While each new funded grant and program benefits the community, it multiplies the workload for the Specialist and part-time Accountant who is Kent Hirokawa in the back there. Since most requires similar intensity of administrative activity and oversight regardless of the dollars funded. Since typically no additional staff is hired or assigned to oversee these new program requirements, important program and administrative activities and responsibilities, especially for our core programs are not completed to the desired level of execution. Improvement, meaningful collaborations continue with the Work Board members and community and Youth Council and other organizations within the community, serving youth. One of the improvements is our hiring at Hawai'i Website System that helps job-seekers online, as well as business people, employers seeking employees. So my job as far as improvements is to continue all WIA / WDC monitoring, reporting and events and continue to support any and all community initiatives and collaborations with all service providers that have to deal with education and training and employment in the community. Just more community liaison initiatives and continue to seek more grants. So basically that is my goal to continue and manage the Workforce Investment Act and look for more grant opportunities for our County.

Chair Furfaro: Thank you very much. Can I ask you and this is not a deadline for the budget, but within the next 90 days or so, so you write me a little bit and I will send it over as a question, what grant opportunities do you think are out there?

Ms. Bradford: What grant opportunities?

Chair Furfaro: What grant opportunities do you think that are out there, if there is a chance that the State of Hawai'i will try to move all of that money back to Honolulu?

Ms. Bradford: I have been looking at other Federal grants, too, that can help.

Chair Furfaro: I would like to know which ones they are, because it is certainly not a problem for us to write to a couple of Federal people like our State Congressional Representatives for the State, the Senate and so forth. But I would like to have an idea in the next 90 days what those opportunities are.

Ms. Bradford: Just so you know, the grants that we just applied for was accepted and they got it. So we got the verification number and everything and the tracking number. It was turned in this past Sunday the day before it was due. We are really happy to do that. If we do get it, it should be about \$550,000 and I am crossing my fingers.

Chair Furfaro: Great work. Outstanding. Thank you for doing that. Questions for WIA? JoAnn.

Ms. Yukimura: Yes. Thank you so much for this briefing because I think WIA was not really clear to me. Congratulations on making the grant deadline. I have done grants myself and it is a marathon to get it in on time, but good for you, and I hope we are successful. I actually do not think I have...well, yes, on page 36 you said that average annual...total annual average of employees was 28,100. Those are employees non-duplicated? The number of people who are employees on the island?

Mr. Costa: In the workforce.

Ms. Yukimura: In the workforce and they are unduplicated? They may have two or three jobs, but you are only counting them once?

Ms. Bradford: I think so, yes.

Mr. Costa: From the State Department of Labor statistics.

Ms. Yukimura: Okay. It looks like...is it your thought that the trend is a positive one in terms of more job availability for people?

Ms. Bradford: Lately it seems like there are more jobs.

Ms. Yukimura: More availability?

Ms. Bradford: Yes, as opposed to back in 2008-2010, I can remember when there were only 600 jobs on the island and 2,000 unemployed people looking for jobs.

Ms. Yukimura: Well, that was 2008 was the big crash.

Ms. Bradford: Yes.

Ms. Yukimura: So 2010 we were still really feeling it.

Ms. Bradford: There is like a real lull, where the unemployment rate is low, but there are still a lot of people still looking for jobs.

Ms. Yukimura: That is what I wanted to ask about. Are you finding a disconnect between people looking for jobs and the jobs that are available?

Ms. Bradford: How do you mean by “disconnect?”

Ms. Yukimura: That even though there are jobs available somehow the people who need jobs are not qualifying for those jobs?

Ms. Bradford: That is why we have the WIA funds to help fund people for additional training or even their high school diploma, if they do not have it or maybe further on, if they want to go to college, they can do that. That is what the WIA funds do for people.

Ms. Yukimura: Okay, that is good. Have you analyzed what the major barriers are for those seeking employment on Kaua‘i?

Ms. Bradford: That is the major barrier.

Ms. Yukimura: What is the major barrier?

Ms. Bradford: The most common problem, I think the biggest population of people on the island have just a basic high school diploma and the next highest right under that is just one to three-year vocational degree or certificate.

Ms. Yukimura: Is it the need for higher education credentials that is one of the biggest barriers?

Ms. Bradford: More training and education and we work in collaboration with KCC and also the community school for adults to get people in line so they can get at least their degree or diploma, whatever it is that can help boost their chances of getting employment.

Ms. Yukimura: Is it also a problem of high school diplomas not having the qualifications that a high school diploma indicates?

Ms. Bradford: I am sorry, I am not sure what you are asking.

Ms. Yukimura: I understand at KCC, at least 30% or maybe it is a bigger percentage of those entering KCC from Kaua‘i are needing remedial math and English?

Ms. Bradford: It has been like that for a long time throughout the whole State.

Ms. Yukimura: Well, what is that telling us? Maybe the source is not retraining.

Ms. Bradford: The training needs to start at an earlier age. That was one of the initiatives that we wrote into our grant that we just submitted to the Department of Education, start them early, train them early. Teach them how to be responsible and what is their kuleana is and how to work together with other people, cooperation, those kind of things. It is really important today.

Ms. Yukimura: So what you are describing actually is not academic skills, but it is actually life's skills, like showing up for work?

Ms. Bradford: Yes.

Ms. Yukimura: Knowing how to present yourself.

Ms. Bradford: Yes.

Ms. Yukimura: Knowing how to solve problems when you come into them, whatever the job may be. So how are we addressing that as a community?

Chair Furfaro: You know, I think that might be a nice item to put on as a Committee discussion. I think we are drifting a little bit from the budget items, but the bottom line here, I think, JoAnn, is onto something and we should I be having that as a separate discussion item.

Ms. Yukimura: It may tie in with this whole keiki to career effort. From what I am gathering it is a serious problem. If it is not about jobs, but it is about qualifying our people for those jobs.

Ms. Bradford: Yes. Those are the kinds of issues and policies that our Board goes through all the time. What is the solution to the problem?

Ms. Yukimura: I appreciate the Chair's recognition or awareness that maybe this is discussion for a later date, but it sounds like a very critical discussion for our community.

Ms. Bradford: If we get that grant, then maybe we can sit down and talk about how we can further the discussion on the education piece.

Ms. Yukimura: That would be very good. Thank you very much.

Ms. Bradford: Thank you.

Mr. Costa: Thank you, Kaeo.

Mr. Rapozo: Real quick question...that is fine, I will just ask. I was more interested in the successes with the veterans and the outreach and that can be answered at a later time. We will send something over, but I am real curious to know the numbers of veterans that are...

Ms. Bradford: I can send that information to you.

Mr. Rapozo: I would appreciate that. Thank you.

Chair Furfaro: I think Mr. Rapozo, we may want to have that as an agenda item to talk about what services we can really piggy-back on for veterans. Thank you. George we are really down to the wire.

Mr. Costa: I will try to wrap it up.

Chair Furfaro: I do not know we have 29 minutes left and everybody is coming to the meeting now. The meeting is almost pau, guys.

Mr. Costa: Thank you, Chair. I will try to wrap this up. You have heard over the last two presentations many of our projects from the Office of Economic Development initiatives and just a summary, we manage 42 project initiatives and 28 Holo Holo 2020 planned projects and 57 County grants and 27 County CPEP grants and 43 Hawai'i Tourism CPEP grants. From a budget perspective every sector had a reduction between this year's budget and next year's proposed budget. I will just go really quickly with Glenn Sato, \$3,200 reduction. Art Umezu, \$2,000 reduction. Workforce Development, \$3,600 reduction. Energy, \$18,000 reduction with Ben. Here are some of his grant initiatives. Basically he is looking for consulting services, and fine tuning our facilities' energy monitoring program. For the Office of Economic Development from the Administration side, which includes myself, our Administrative Assistant and our Office of Economic Development Assistant, as well as Kent Hirokawa our Accountant, we have a reduction from our sector. There are really only two areas and these are the grants that fall under our section. The two main ones that we have on here are the Commercial Kitchen Business Incubator and look at engineering and design expense line item for next year. Creative Technology Center, which we will be back here on May 7th to present. Other than that, we continue to fund YWCA Family Violence Center, and the Sexual Assault Treatment Program. From Agriculture, there are only two sectors that showed increases from this year to next and in Agriculture basically under "other services," which are the grants. There is \$100,000 grant request to support the Kilauea Ag Park and a breakdown of the programs. We are basically going from \$237,000 to \$323,000 next year. These programs support various agricultural organizations, Hawai'i Tropical Fruit and Flower, Kaua'i Cattleman's Association, East Kaua'i Water Users, Garden Island RC&D, Kaua'i Farm Bureau, and also funds the Kaua'i Grown Program, Kaua'i Invasive Species which was initially a State program which we continue to fund that very important program, and also the Kaua'i EBT Program. Malama Kaua'i has stepped forward and they are providing EBT service in our Sunshine Markets.

Tourism, Nalani Brun and Sue Kanoho were here and presented the Tourism side. Again this is the main area where we show an increase for the Office of Economic Development. Here are the list of different grants. A lot of what we are proposing are either support for infrastructure, like shuttles to clear the traffic and cars on the North Shore, as well as providing shuttle service for Po'ipū and eventually for the Royal Coconut Coast. We want to continue to do our CPEP match for product enhancement and special events and grants. Also supporting two very culturally significant, the Kaua'i Nui Kua Papa and Ka Aha Hula Halauola Conference which is the 4th World Conference of Hula which is being hosted on Kaua'i. We are also providing a grant for off-duty police officers so that any of these organizations with large festivals and events, they can apply for a grant to hire off-duty police officers and reduce our overtime component for the Police Department. Here is a quick recap of other services, which is the grant portion of the Office of Economic Development budget and it is our main sector for our budget. Again, this

basically summarizes the grants that I just reviewed with you. Again, only two areas that showed an increase, Agriculture and Tourism. Here is a recap of the Office of Economic Development budget. Again, showing a \$415,000 increase, which most of that came from the Tourism increase of the grants there. This is a summary of those Tourism grants. Just a quick slide that shows the pie chart of where our funding goes and our expenses are in our Department. Three-year summary that shows most of our expenses decreasing, and again, the only area that we really showed an increase significantly was on the grants. The last two slides, we were asked to talk about our personnel and succession planning. This year, this is the first year since 2009 that we have had a full staff. We have our Administrative Specialist, Theri Martin-Haumea and our Office of Economic Development Specialist, which is Melissia Sugai, who is now charged with assisting our six specialists in our Department. The last thing with succession planning is that we are looking to Bill Spitz, who is our long time Agricultural Specialist retiring within the next year. That is it. Thank you very much for your time.

Chair Furfaro: JoAnn is first with her hand up again. JoAnn.

Ms. Yukimura: George you mentioned the Kīlauea Ag Park. Is that in the budget?

Mr. Costa: Yes, that is \$100,000 that is part of our agricultural piece. That is to help support the effort of the Kīlauea farmers and Kīlauea community. One of the expense line items you are looking at is to initially install the water meters and provide water for the first phase of the Ag Park. It is an interim step until they can develop a non-potable water source that is basically being looked at this time, as well as maybe some other expenses to help defray, say fuel expenses as they start to grub and clear the property.

Ms. Yukimura: Have they proposed the plan and budget for this \$100,000.

Mr. Costa: They are actually working on their management and governance plans right now.

Ms. Yukimura: I mean a plan for this \$100,000, because it takes all the money from the Islandwide Ag Park System and you do not have any other proposals for the Islandwide Ag...you will not have any other needs for that?

Mr. Costa: Actually, right now, for the water meters we are looking at about \$50,000 to be used out of the \$100,000.

Ms. Yukimura: I would like to see a proposed budget, please?

Mr. Costa: Okay.

Ms. Yukimura: And this will be going to a non-profit Malama Kaua'i?

Mr. Costa: And the Kaua'i Agricultural Association...Kīlauea Agricultural Association.

Ms. Yukimura: But it is really Malama Kaua'i is the non-profit, because KAA is not an organized non-profit.

Mr. Costa: Not yet, they are working on their non-profit.

Ms. Yukimura: That is good. Yes, I mean I would like to see what the other items are under "Islandwide Ag Park System?"

Mr. Costa: Okay.

Ms. Yukimura: Thank you.

Chair Furfaro: George, is it possible that you could turn those over to us by the end of business day on Friday?

Mr. Costa: Sure.

Chair Furfaro: Very important because we start having individual meetings before we get the reforecast back from the Mayor. Mr. Hooser, you have the floor.

Mr. Hooser: I was just going to remind, we had spoken last time they were going to be coming forward to talk about the detail of the agricultural proposals and plans moving forward. I want to say it is May 7th.

Chair Furfaro: Right.

Mr. Hooser: Looking forward to that. I had sent over a written communication asking if it is possible for you to meet with the Farmers Union, as well as other people in the community to get their ideas? My hope is that the Administration becomes more aggressive and asks for more to fund viable agricultural programs. Thank you.

Mr. Costa: Thank you.

Mr. Hooser: Thank you, Chair.

Chair Furfaro: I think Mr. Hooser is asking us to make sure that we focus on page 57 of your presentation, which details \$323,500 as it related to the projects under Mr. Spitz.

Mr. Costa: Right.

Chair Furfaro: As well as the some narrative that relates to the Kilauea Park as JoAnn had asked for. We want to get a better idea of that page and those moneys.

Mr. Hooser: You are absolutely correct that is the key page, but I would ask the Director to not limit himself to this page, if during his conversations with the other leaders in the agricultural sector that they come up with additional ideas to be willing to present those as appropriate. Thank you.

Chair Furfaro: George, I want to make sure that you understand, that was not a wish-list I was giving you. The fact of the matter is that the members of the Council have been instructed by me, if they will add items they also need to find the money to add items. I think what Mr. Hooser is saying to have a healthy discussion of what is out there and start with page 57. Did I summarize that all right? JoAnn, you have the floor again.

Ms. Yukimura: Maybe you described in your narrative, but the Cattleman's Association grant of \$20,000, what is that going to be used for?

Mr. Costa: That grant is split between the Sanchez and Andrade slaughter facilities to help them upkeep, so that they can continue to be in compliance with USDA regulations on slaughter, \$10,000 for each operation.

Ms. Yukimura: Is it issued on a contractual basis where there are certain obligations in exchange for those moneys.

Mr. Costa: It is issued to the Kaua'i Cattleman's Association and there are requirements that they submit invoices for not to be used for operational expenses, but more for CIP or improvement of the facilities themselves. A good example is for, like the Andrade slaughter facilities, they are looking to expand and build a mini processing area, where they can package their meats and expansion of their chill facility so that they can go beyond more than just two weeks' of chill. They can expand to at least a month of chill facility.

Ms. Yukimura: That sounds like a good goal for the island. So we are not giving it out to them per se, it is the Cattleman's Association that is managing the money?

Mr. Costa: Right.

Ms. Yukimura: And making judgments about what...because these are public moneys.

Mr. Costa: Yes.

Ms. Yukimura: And they should be made in accordance with a plan that is coming back in public benefits and I am just wanting to know if that process is well-developed or well-thought through?

Mr. Costa: Myself and our Accountant reviewed the invoices that are submitted in a final report for each one of those grants.

Ms. Yukimura: So I would like a report on how the \$20,000 from last year was spent?

Mr. Costa: Okay.

Ms. Yukimura: Please, thank you.

Chair Furfaro: George, I think I might be the last question here. And I just want some clarity from page 63. The Tourism increases are \$485,000. But on the breakdown, you have an item here that actually references \$110,000 of that \$485,000 being used for infrastructure improvements. And I want to get a better understanding of what you refer to as “infrastructure” versus what might be cosmetic improvements. What is in that \$110,000? If you could expand to me, that might actually...if it is infrastructure, should be in Public Works, versus if it is signage and other cosmetics, you can just send something over. Other questions for Economic Development? Okay. George, I am going say thank you. Thank you.

I was just inform you that there are eight minutes left on the tape and I will not limit the Mayor for his final comments. So we are going to take a tape break and if the Mayor chooses to use the rest of the time today it is his privilege. Thank you, George and we are going to take a 3-minute tape change. Nobody go far.

There being no objections, the Committee recessed at 4:19 p.m.

There being no objections, the Committee was called back to order at 4:23 p.m. and proceeded as follows:

Mayor's Closing Comments

Honorable Gary L. Hooser
Honorable Mel Rapozo
Honorable JoAnn A. Yukimura
Honorable Jay Furfaro, Council Chair

Excused: Honorable Tim Bynum
Honorable Mason K. Chock, Sr.
Honorable Ross Kagawa

Chair Furfaro: We are back from our tape change and Mayor, thank you for being here at the end of these two call-backs and our first go around on the budget. The Council is very pleased to have you here with the Department Heads. So the floor is yours.

BERNARD P. CARVALHO, JR., Mayor: First of all, thank you very much, Council Chair Furfaro and members of the Council. I just wanted to give my own wrap up as we all know this is just one part...football terms we are not even at the 50-yard line but we are on the field and so in marching down slowly but surely, we wanted to send our *mahalo* and thank you for your efforts over the past three and a half weeks to work through our proposed budget and to better understand the needs and challenges that we are all facing and of course, going through a very constructive and respectful dialogue. I think that is a big part there, as we move forward. So I wanted to start off with that and also say the men and women sitting behind me, have done a tremendous job in trying to keep the dialogue going, being well-informed and being prepared and we will continue to do that and continue to offer information as we move to the next step, the next yard line, if you will, moving through this process. From our Administrative Team, Department Heads, Legal Team, Fiscal, all of them, coming forward with the various presentations, whether they are PowerPoints, mission statements, we tried to really put everything together to help all of us and help our people understand where we are at, what are some of the challenges, we have had to make adjustments and readjustments and we have to make evaluations or re-evaluations along the way and I wanted to say as we move to the next step, to help each other to come to a budget that is going to be done very well for the people that we serve. The Council has the authority to propose this as amended as we move forward. Today I am respectfully requesting that we have a dialogue before any major cuts because the next steps will be our May 8th submittal. So we will continue to keep our sleeves rolled up and continue to work on what we have heard and see how we can make those adjustments. What I am asking is that we continue to keep the open dialogue all the way. I do not want to be...it would be better for us not to have any surprises. So some of you have been very vocal throughout the process, which is great and some have not said as much, but I wanted to make sure if there is something on your mind that would be a drastic change, I would really appreciate the dialogue and the upfront information. So we can come out with something that is going to be really well-thought out. It is not easy as far as the cuts that we may have to make or not, but what I am saying that I am hoping that with our team members back here, and offering the continued dialogue back and forth, before we get up to May 8th and after May 8th. I know you have your final discussions the 13th and 14th and even up until, there I am hoping that we can continue the open dialogue and have the

information upfront. I do not want...I would prefer not to be surprised, because if there is any major cuts I would like you to know, the people to know, with every cut comes some kind of repercussion and we could be open enough to understand the challenges that we are going to have to face. If there are additional things added, without dialogue, then I want to be able to work with it and if it is a surprise, it may not be able to work. So I am just wanting to be upfront. If Chair Furfaro, the 2% that came across, I mean, that would be an example of talking through that maybe next time and seeing if we could say it is 3% or whatever it is. So we can collectively come up with something that we can hopefully attain. Then sometimes we cannot, like we said, we did not make it, we did not achieve it and to be upfront with that and you have seen in numerous ways our teaming working upfront and that is part of wrapping up this to our next step. We will come back with our submittal on the 8th and we will be here the two days that you will go into your final decision-making and I am hoping that in that time we will have a better idea of least what to expect. I know the policy is that you have more discussion and I am hoping that we can talk about that. Because I would prefer to let you know, should there be any type of major changes that these are the repercussions that could occur and work it out. So I wanted the chance to say that and on behalf of the men and women sitting behind me and working through the process that is going to be very challenging, but at same time, the people knowing that we have tried our very best to work together. Thank you for the opportunity and I look forward to some healthy and respectful results as we come to final budget.

Chair Furfaro: Why do not you let me go around the table, and see if Councilmembers have something to say at this point. anybody who would like to respond, Mr. Hooser.

Mr. Hooser: Yes, Mayor, thank you.

Mayor Carvalho: Councilmember.

Mr. Hooser: Thank you for the great team that is sitting behind you that helped to keep our County on-track and keep the services delivered and the train running on time, if you would or the buses. I appreciate really your comments about the dialogue in terms of cuts that we might offer up, and my personal philosophy is that you and your team is in a much better position to do that than the Legislative body. So I would hope that that is the way it would happen. So I would encourage you to, when you come back on the 8th, I believe, to be as aggressive as you can, with additional cuts. Whether it is dollar-funded positions, or Sister-Cities program or travel or whatever, and I realize the challenges, believe me. I realize the challenges and I realize that people are warm bodies and services have to be delivered. I fully realize that, but it is going to be very difficult to continue to raise taxes, to eliminate the Open Space Fund, to deal with the health care issue and I am hoping again, as we all are that the TAT issue will help us avoid some of that. I would really encourage you to come back as aggressive as you can, to shrink the budget. I do not have to feel compelled to try to figure it out. The Administration administers and you know where your strengths and weaknesses are and it would be much better for me and I think for everybody, if the Administration could be as aggressive as they possibly can on that.

Mayor Carvalho: Be assured we are going to take everything back and there are areas that we can look at and we will come back with whatever information we have and make the adjustments as needed. Then you will have the chance to do what you need to do and I am hoping before you do it in this timeframe, if you have any issues that we can at least get our guys know and vet through it now rather than waiting for later.

Mr. Hooser: \$4-5 million worth of issues. At least to find that.

Mayor Carvalho: We are interested to hear what kinds of solutions you have Councilmember. We have laid out our cards pretty much, but I am saying that we are willing to do that.

Mr. Hooser: I think funding vacant positions is the path of least resistance and historically that is where we look. Thank you.

Chair Furfaro: JoAnn.

Ms. Yukimura: Mayor, I want to say that I have been so pleased and very impressed by the way the budget process has improved over the years that you have been Mayor. This year has been, I think, the best of those years under very difficult circumstances. I want to commend you and all your Department Heads and your Finance Team for really providing us as best a budget you can in the circumstances, I appreciated both the dialogues and the presentations. I want to say that I feel like we are the ones who often have to deal with surprises because of the supplemental, you know? We study the budget, we work really hard on it and then, like, about three days before we have to make our decision it is like changed all over again. So to me, I would like some head's-up in terms of that process and I would wish from the time that you present the supplemental and the time we make decisions were a bit longer so we could really absorb the changes. I have tried to be as open and straightforward about my concerns in the budgets and in the programming. I will do the best I can to signal these things, but I do say that we have...I feel like so often we have such a moving target to deal with because the supplemental comes in so late and often throws everything up in the air again in terms of all the pieces that we have to think about. But be that as it may, I have appreciated your openness and your presence during most of the budget hearings and if you were not here, your Managing Director was. The openness of your staff and your willingness to provide information. So I want to extend my hand of cooperation working with you on getting to a good budget.

Chair Furfaro: Mr. Rapozo.

Mr. Rapozo: Thank you, Mr. Chair and thank you, Mr. Mayor for being here today and everyone. For the last day of the first-round. I think I share.

Mayor Carvalho: Not the 50-yard line yet.

Mr. Rapozo: I share Councilmember Yukimura's concerns about the supplemental process and I think we tried to get that changed and failed, but it is what it is. It is a good opportunity and I guess if we do keep that communication open it can be mutually beneficial. So we just have to work that way. I do want to say, Mr. Chair, I wanted to thank the Mayor for going to Oahu yesterday as well because he was the only Mayor who showed up. A lot of talk from everyone else and the Mayor was the only one and you have to understand when you walk into the Capitol, normally some Councilmember from Kaua'i, but walking next to the 6' 6" giant and I make gest, but we were able to get quality discussions with quality Legislators because of that and thank you and for allowing me to go on behalf of the Chair for some of the money that Mr. Hooser is look for as we all are.

Mayor Carvalho: If I could respond to that, I too, got comments that we went as a team from Kaua'i. That was the big part, just so you know that. That is what it was, really.

Mr. Rapozo: Especially people got really suspicious seeing Rapozo and Carvalho. Squeezing Bernard into the rental car we had. On a serious note and compliments to your Budget and Finance and it is different working with a team that your responses that came from part of what the Chair had requested a few years ago, where we wanted the responses. In the old days we would get the responses after the budget was done. And that is no joke. Why? We do not need that information, but it has been very...the turnarounds has been very quick and actually quicker than I have been ready for it so I just wanted to put that out. There has been a lot of questions, I think, for the most part there is very little to deal with in the budgets from all the Departments. There is not much, like I said in the old days we had that extra money, but there is none of that. So I think the questions were pretty much on-point and obviously I have some concerns and I think you have heard all of them, because I have not held any of them back...it is what it is and I am hoping as you go back to your Department Heads to prioritize what you really want versus what you can let go. We identified a couple of things with Parks where there was a duplicate posting of a CIP project that frees up \$40,000 and some of the other projects that may not need to have to be done that year and that could wait a year and Mayor, I could ask that you look at those that could wait another year. Aside from, that it is always exciting to anticipate the supplemental, because you do not know what you do not know. So if we could have that reciprocal courtesy if you have any surprises, that you would do the same. You have heard my concerns and I hope we get through this in a way that does not impact the taxpayers too much. It is will be interesting going forward. Thank you, Mr. Chair.

Mayor Carvalho: I am sitting here to make sure that you have that openness and communication from all of us and the taxpayers to benefit.

Chair Furfaro: Mayor, this is my 5th year as Chair and the 5th year we are constantly making improvements in the way that we do the budget. And your team has been very respectful, lots of *kokua*. Very helpful in getting clarity. And I think with really minimal challenges and a perfect example was Thursday when the other Council Chairs called me about the 45-minute response on the TAT and your Treasurer and Ken Shimonshi came over on the conference call with me and we finalized that issue in the E-mail that went back and you and Mel went over. It is a big issue for us. People need to know that TAT sitting out there puts us in the position that the big items on our radar screen is certainly the TAT and us underfunding OPEB. Because that liabilities will not go way. These are the big items on the screen, energy and gas prices moving now and we had a very good discussion with Ben today. Labor issues. We on get one out of nine votes, and somewhere along the line we have got to get better in reminding people that we are a very small County with small growth potential, which really equates to the fact that it does not put us in a good place to grow revenue, okay? To be good stewards of our island, that is a reality. So labor issues continue to be a concern. I want to tell you what I think I am looking at here. You will have my comments and all of the Councilmembers will have my comments by the end of day on Friday. I have set up another procedure for us, all of the Councilmembers will have time to work with our staff and they will allocate time for them to put their comments together to get them over to you. That is a new addition this year. I have to tell us my staff is outstanding, the Council staff is on top of it.

Mayor Carvalho: Yes.

Chair Furfaro: We have got very, very good people here and they all want to be good stewards and part of getting to the right place for the right reasons for the right people. So I do want to say we are going to go through some pieces that I would reference as not down-sizing, but for a small County it is right-sizing. We have to be aware that the Police have issues with the auto situation. We have got to look at how we fix that. The County Attorney has challenges starting a litigation division and we have got to know that we have to hold his feet to the fire if we give him that extra attorney to see how we reduce the Special Counsel fees. Those are very real items. Yet at the same time, I think everybody realizes we have to do so much more as being the third political subdivision on the totem pole and we hear things, well the State will take this from us when it comes to Workforce Investment, the grants are going to shrink from the Federal government. It is tough. It is very, very tough. But I think I am very proud of the Council, and I think you are very proud of your people.

Mayor Carvalho: Very proud.

Chair Furfaro: Together we worked very well to get us to this point for the next step. Talking about the next step, May 7th we have an opportunity to hear from the public in public hearings. I myself do not think there is any room for tax relief. We have given a lot of tax relief over the years. We have to find the right place for growth, but at the same time, I think we have pieces in the same general area as the other Counties. One of the things that we have to talk about seriously is not having really reserve money. And the only way we can earmark a reserve, if we look at maybe, maybe increasing revenues. It is important for us to have that kind of reserve today, and you just never know what is going to blindside you if you do not. I would like to set some priorities, if I could about the Big Save space. This is the third year I really do not have a grip myself on understanding the space over there, from the standpoint of where we could have other savings? Example, like moving the Historical Society, or bringing the Auditor back here? Those will save us hard-cash dollars and for me that needs to be high on the agenda. Mayor, I have to tell you, you should be very proud of the people that you have behind you and let me tell you that they are behind you and they want to do all the right things. You will have my comments in advance and I will share my comments with all Councilmembers by the end of the business on Friday, so you will have no surprises from me.

Mayor Carvalho: Council Chair Furfaro and Councilmembers and Council staff have an outstanding relationship with our staff members and that is a good thing to ensure that information is flowing back and forth. I am telling you that upfront. I am proud of my team members, we are all proud and there is lots of work to do and we will keep our sleeves rolled up. My door is open, my Managing Director's door is open and my Department Heads doors are open. We may not agree on everything, but it is going to come out with a good, solid piece.

Chair Furfaro: I have been doing large budgets for 39 years' of my hotel career, you will have no surprises from me, but in the end when I am asking to look at something, I want people to really understand, there is a need, and specifically honestly and integrity starts with the budget, because it is a forecast. If it is not budgeted properly, we will not get there. So on that note *aloha* Mayor.

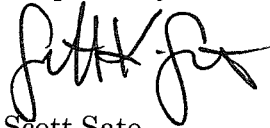
Mayor Carvalho: *Aloha, mahalo.*

Chair Furfaro:
adjourned.

Thank you to everyone. This budget call-back is

There being no further business, the departmental budget call-backs were adjourned
at 4:46 p.m.

Respectfully submitted,



Scott Sato
Council Services Review Officer

APPROVED at the Committee Meeting held on May 21, 2014:



JAY FURFARO
CHAIR, COW COMMITTEE